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U.S. ASSISTANCE PROGRAMS IN VIETNAM

REPORT

BY THE
COMMITTEE ON GOVERNMENT
OPERATIONS

HOLD UNTIL RELEASE DATE
APPROVED BY FULL COMMITTEE
ON GOVERNMENT OPERATIONS



SEPTEMBER —, 1972.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
Washington, D.C., September —, 1972.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: By direction of the Committee on Government Operations, I submit herewith the committee's _____ report to the 92d Congress. The committee's report is based on a study made by its Foreign Operations and Government Information Subcommittee.

CHET HOLIFIELD, *Chairman.*

(III)

CONTENTS

	Page
I. Introduction.....	1
II. Background—The United States and the Vietnam war.....	4
III. Economic assistance review.....	6
IV. Commercial (commodity) import program.....	9
Recommendations.....	13
V. Agriculture and land reform.....	15
Background.....	15
Land reform.....	15
Land reform progress.....	16
Increased crop production.....	17
Needs and objectives.....	18
VI. Public safety program.....	19
Background.....	19
Con Son Prison.....	19
AID support of GVN public safety program.....	20
Correction centers.....	22
Alleged brutality.....	25
Political prisoners.....	29
Thompson study.....	31
VII. Pacification—CORDS program.....	33
Background.....	33
CORDS structure and funding.....	36
Executive refusal of access to records.....	43
Phoenix (Phung Hoang) program.....	43
Phoenix operations.....	46
Legal proceedings.....	55
Phoenix funding levels.....	58
Conclusions.....	59
Recommendation.....	59
VIII. Refugee program.....	61
IX. Public health program.....	66
X. Public works program.....	68
XI. Recommendations for program overhaul.....	71
Appendix.—Memorandum on the Geneva Conventions and the Phoenix program.....	73

Union Calendar No.

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U.S. ASSISTANCE PROGRAMS IN VIETNAM

SEPTEMBER —, 1972.—Committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Mr. HOLIFIELD, from the Committee on Government Operations, submitted the following

REPORT

BASED ON A STUDY BY THE FOREIGN OPERATIONS AND GOVERNMENT INFORMATION SUBCOMMITTEE

On September —, 1972, the Committee on Government Operations approved and adopted a report entitled "U.S. Assistance Programs in Vietnam." The chairman was directed to transmit a copy to the Speaker of the House.

I. INTRODUCTION

This report provides a review of the economy and efficiency of certain interrelated U.S. assistance programs being carried out in conjunction with the United States-South Vietnamese economic and military efforts in Southeast Asia.

Since 1966, the Committee on Government Operations—through its Foreign Operations and Government Information Subcommittee—has conducted a continuing review of the economy and efficiency of such programs.¹ This latest report in that series is based on several fol-

¹ Previous reports in these general subject areas issued by the committee include:
"An Investigation of the U.S. Economic and Military Assistance Programs in Vietnam." H. Rept. 89-2257, Oct. 12, 1966.
"Illicit Practices Affecting the U.S. Economic Program in Vietnam (Followup Investigation)." H. Rept. 90-609, Aug. 25, 1967.
"The Commercial (Commodity) Import Program for Vietnam (Followup Investigation)." H. Rept. 90-610, Aug. 25, 1967.
"The Port Situation in Vietnam (Followup Investigation)." H. Rept. 90-611, Aug. 25, 1967.
"Land Reform in Vietnam." H. Rept. 90-1142, Mar. 5, 1968.
"Excessive Programming and Procurement of Sweetened Condensed Milk for Vietnam." H. Rept. 90-1143, Mar. 5, 1968.
"A Review of the Inequitable Monetary Rate of Exchange in Vietnam." H. Rept. 91-1228, June 25, 1970.
"Communist Strategy and Tactics of Employing Peasant Dissatisfaction Over

lowup investigative reports by the General Accounting Office, on extensive hearings by the subcommittee during July and August 1971, and on a 1970 field trip by Representative John E. Moss and staff of the subcommittee.

Among the joint Government of South Vietnam-United States aided programs covered by these hearings and dealt with in this report are: Commercial import program; agriculture and land reform; public safety program; pacification (CORDS) program—(civil operations and rural development support); refugee program; public health program; and public works program.

Other subjects covered by the subcommittee's Southeast Asian field investigations, studies, and hearings will be examined in separate reports. They include the inequitable monetary rates of exchange between piasters and dollars now in effect in South Vietnam;² black-market currency manipulation; the activities of the U.S. Information Agency's operational arm in Vietnam, Joint U.S. Public Affairs Office (JUSPAO); the activities of the Overseas Private Investment Corporation (OPIC); a review of the economy and efficiency of U.S. stabilization programs in Laos;³ and finally, a review of the economy and efficiency of U.S. assistance programs in Cambodia.⁴

This report is based on hearings on the economy and efficiency of various U.S. assistance programs in Southeast Asia held in Washington on July 15, 16, 19, 21 and on August 2, 1971. Testimony was presented by witnesses from the General Accounting Office, the Department of State, the Agency for International Development, CORDS, and from several outside witnesses invited by the subcommittee. In addition to their public testimony, two of the outside witnesses gave information in executive session.

United States economic assistance through AID has been in a period of transition. Vast changes are taking place in Vietnam that affect the character of U.S. economic and military assistance. American troop withdrawal continues at an accelerated rate. American casualties have dropped sharply as more and more of the fighting has shifted to GVN forces.

The political split between President Thieu and Vice President Ky resulted in Thieu's unopposed victory in the October 3, 1971, presidential election.

Although the chaotic economic situation in South Vietnam has somewhat stabilized, many of the serious problems discussed in previous reports such as corruption, profiteering, black-market currency manipulation, refugees, repression, lack of exports and industrial pro-

Conditions of Land Tenure for Revolutionary Ends in Vietnam." (Committee print.) August 1970.

"A Review of Steel Purchased for the Commercial Barge Construction Program in Vietnam." H. Rept. 91-1582, Oct. 8, 1970.

"Commercial (Commodity) Import Program for Vietnam (Followup Investigation)." H. Rept. 91-1583, Oct. 8, 1970.

"Civilian Medical Program for Vietnam (Followup Investigation)." H. Rept. 91-1584, Oct. 12, 1970.

"The Port Situation in Vietnam (Followup Investigation)." H. Rept. 91-1595, Oct. 8, 1970.

"Vietnam and the Hidden U.S. Subsidy (Inequitable Currency Exchange Rates)." H. Rept. 92-760, Dec. 16, 1971.

² "Vietnam and the Hidden U.S. Subsidy," H. Rept. 92-760, Dec. 16, 1971.

³ "U.S. Economic Assistance for Laos—Stabilization Programs," H. Rept. 92-718, Dec. 8, 1971.

⁴ "U.S. Economic Assistance for the Khmer Republic (Cambodia)," H. Rept. 92-1146, June 16, 1972.

duction, and weakness in the pacification program, still appear to be major problems in South Vietnam.

Each of the major program areas is considered separately. The report concludes with broad recommendations to improve the economy and efficiency of the operations of such programs considered to be important and necessary.

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II. BACKGROUND—THE UNITED STATES AND THE VIETNAM WAR

The subjects dealt with in this report involving the economy and efficiency of our U.S. assistance programs in South Vietnam cannot be properly evaluated without some clear understanding of the staggering consequences in human and economic terms of our role in that struggle.⁵ The following facts and statistics give some of these dimensions:

A total of 2.6 million American servicemen have served in South Vietnam from January 1, 1965 through March 31, 1972.

Total U.S. casualties during the Vietnam war, as of August 26, 1972, stand at approximately 350,000, including over 50,000 dead; this is twice the number of U.S. casualties sustained during the Korean war.

The budgetary cost of military personnel, supplies, and equipment, and other supporting expenditures, for the fiscal years 1965 through 1972, in connection with the Vietnam war was \$128 billion, or about \$600 for every American man, woman, and child.

During this same 7-year period, the United States has provided another \$9 billion in military assistance to South Vietnam and \$4 billion in economic assistance.

A total of 13.8 million tons of air, ground, and sea munitions have been expended in the Vietnam war from January 1, 1966 through June 30, 1972.

Chemical herbicides have been applied to nearly one-seventh of South Vietnam and have destroyed enough food for 600,000 people for one year and enough timber to meet the country's requirements for 31 years at the current level of demand.

Over 5 million (about 30 percent) of the population of South Vietnam were in the refugee category during the past 6 years; through June 1972, over 1 million South Vietnamese civilians have been war casualties of which an estimated 325,000 were killed.

These factors do not include such continuing problems related to the Vietnam war as the number of U.S. servicemen who have become drug addicted, the Veterans' Administration costs of veterans' hospitalization, treatment, disability benefits, and survivor payments to dependents of servicemen. Nor does it measure the impact of the heavy U.S. wartime costs on the U.S. economy and the increased interest costs on the national debt.

But statistical data cannot measure the human suffering, deprivation, or the psychological damage of such a war to many thousands of returning U.S. servicemen, nor measure in precise economic terms the impact of the war on our weakening balance-of-payments situation or on the declining strength of the dollar in foreign markets. Even more

⁵ Much of the data used here is taken from a study by the Foreign Affairs Division, Congressional Research Service, Library of Congress, entitled "Impact of the Vietnam War," prepared for the Senate Foreign Relations Committee, June 30, 1971. Committee print.

difficult to measure are the deep divisions that the Vietnam war have created between Americans of all walks of life.

All of this occurred at a time when the U.S. economic position abroad has become increasingly perilous. The U.S. budget deficit for fiscal year 1972 totaled more than \$23 billion. Meanwhile, our balance-of-trade and balance-of-payments situation has been continuously worsening to a point where the President, in mid-August 1971, imposed wage, price, and other economic controls on the U.S. economy and took other steps which, in effect, have devalued the dollar in the world markets and suspended our Government's redemption of dollars with gold.

In a subsequent meeting of foreign ministers of free world nations, in Washington, in December 1971, an agreement was announced by President Nixon that would devalue the dollar by approximately 8 percent by raising the price of gold above the \$35-an-ounce level. Foreign governments agreed to revalue their currencies accordingly.

III. ECONOMIC ASSISTANCE REVIEW

The U.S. economic assistance effort in South Vietnam during this period of military escalation of U.S. involvement in the war has been marked by severe administrative difficulties, the waste of untold hundreds of millions of American tax dollars, black-market currency manipulation, corruption, indecisive planning, and poor execution.⁶

Within the context of overall U.S. objectives in South Vietnam, AID's currently stated objectives are:⁷

To help Vietnam to develop its economy in a manner which will lead to eventual economic self-sufficiency;

To facilitate Vietnamization by helping the Government of Vietnam to bear the increased costs of the war;

To help prevent runaway inflation and severe economic dislocations; and

To assist the Government of Vietnam in caring for refugees, civilian casualties, and other victims.

AID's economic supporting assistance to South Vietnam since 1966 has been as follows:

[In millions of dollars]

	Fiscal year 1966, actual	Fiscal year 1967, actual	Fiscal year 1968, actual	Fiscal year 1969, actual	Fiscal year 1970, actual	Fiscal year 1971, actual	Fiscal year 1972, estimated	Fiscal year 1973, proposed
Commercial import program ¹	\$398	\$200	\$160	\$134	\$238	\$266	\$313	\$376
Economic Support Fund ²								50
Economic Development Fund ³								75
Land reform						15		15
Project program	184	285	224	159	116	96	72	69
Program support	2	10	14	12	12	10	10	10
Food for Peace	143	74	139	99	111	120	120	130
Totals ⁴	727	569	537	404	477	507	515	725

¹ Figures on an obligational basis. Fiscal year 1969 amount does not include \$75,000,000 for commercial import licensing obligated in fiscal year 1968, but not used for licensing that year, thus making the actual total for CIP \$205,000,000 in fiscal year 1969.

² For the unrestricted purchase of imported goods and services.

³ \$50,000,000 to be used for the unrestricted purchase of imported goods and services with the local currency generations being used to finance medium term credit to local investors. \$25,000,000 to be used for public sector projects.

⁴ Does not include reimbursable costs from Department of Defense which amounted to \$43,000,000 in fiscal year 1967; \$35,000,000 in fiscal year 1968; \$35,000,000 in fiscal year 1969; \$55,000,000 in fiscal year 1970; \$67,000,000 in fiscal year 1971; \$59,000,000 in fiscal year 1972; and estimated at \$12,000,000 for fiscal year 1973.

Note: This data was reconstructed from official AID data as presented annually to the House Appropriations Subcommittee on Foreign Operations and Related Agencies and from AID's congressional presentation for fiscal year 1973.

⁶ See H. Rept. 89-2257.

⁷ Congressional presentation, fiscal year 1973, "Security Assistance Program; Security Supporting Assistance." Agency for International Development, p. B-1. It is interesting to note the changes in description by AID of the overall U.S. objectives in Vietnam from fiscal year 1971. The AID presentation of its proposed fiscal year 1971 program entitled "U.S. Foreign Aid in Vietnam," p. 1, lists these objectives as follows:

(1) * * * "to prevent runaway inflation and severe economic dislocations;

(6)

A more detailed breakdown of expenditures and estimates for the various AID project programs, in South Vietnam, including land reform financial support, lumped in the above table is shown below for the 3 current years:

PROJECT PROGRAM SUMMARY:

[In millions of dollars]

	Fiscal year—		
	1971 actual	1972 estimate	1973 proposed
Agriculture.....	7.3	4.9	5.2
Education.....	4.6	3.2	2.3
Industry—Labor.....	1.8	1.5	1.1
Logistics.....	4.0	2.3	1.2
Public administration.....	3.1	3.9	3.8
Public health.....	19.6	12.4	9.4
Public works (engineering) ²	8.5	5.5	15.8
Rural development.....	2.4	.5	.5
Refugees (war victims).....	3.8	1.7	1.0
Public safety.....	9.5	8.8	6.8
Technical support.....	29.8	26.9	22.2
Miscellaneous.....	1.2	.7	0
Total.....	95.6	72.3	69.3
Land reform.....	15.0		15.0

¹ AID congressional presentation, fiscal year 1973, p. B-5.² Includes projects formerly listed under Urban Development.

The difficulty in carrying out the AID program can be attributed to the mushrooming demands placed upon AID administrative capability in South Vietnam during the 1965-68 period of the rapid U.S. military buildup. The amount of U.S. economic assistance virtually doubled during the first year of this buildup. These administrative limitations were coupled with even heavier demands on the crippled South Vietnamese economy.

South Vietnam's domestic productivity was seriously hurt by wartime demands.

Imports required to make up the domestic production cutbacks were clogged in inadequate port facilities in Saigon and elsewhere.

Allied troops made increasing demands on all types of local goods and services.

Inflation had gone almost unchecked until recent months; the retail-price index in Saigon increased by approximately 800 percent since January 1965.⁸ Although the South Vietnamese Government has taken certain fiscal and monetary steps to curb the rate of inflation, it has repeatedly refused to impose effective price and wage controls.

Importers in South Vietnam (financed almost entirely through U.S. tax dollars) continued to bring in luxury goods for sale in the

(2) * * * "to ease the suffering of civilians displaced or injured by the war;

(3) * * * "to assist the Government of South Vietnam to expand its protection and influence over more of the population—especially in the rural areas;

(4) * * * "to assist in economic development to the extent possible and feasible under the constraints of wartime conditions; and

(5) * * * "to help the Government of South Vietnam to improve its present range of social and economic services and to prepare a basis for planning its future development."

⁸ AID congressional presentation, fiscal year 1973, table facing p. B-1.

South Vietnamese consumer markets making possible enormous windfall profits. Less than 10 percent of the \$800 million in products being imported by South Vietnam comes from the United States. South Vietnam exports only about \$15 million of its products abroad—making its balance-of-trade deficit a staggering \$800 million annually. The South Vietnamese Government is almost totally dependent on the United States—directly or indirectly—for almost its entire annual budget receipts and, in addition, receives a “hidden subsidy” of more than \$200 million a year because of the inequity of the monetary rates of exchange governing transaction between piasters and dollars.⁹

⁹ For a comprehensive examination of the inequitable rate of exchange in Vietnam, see II. Rept. 92-760; see p. 7 for data on windfall profits.

IV. COMMERCIAL (COMMODITY) IMPORT PROGRAM

The commercial (commodity) import program (CIP) has provided about \$3 billion worth of various types of consumer goods and raw materials for manufacturing to South Vietnam since 1955. Slightly more than \$1 billion of this total has been provided during the past 5 years. It is the largest single component of our U.S. economic assistance program in South Vietnam.¹⁰

Under the CIP, private South Vietnamese importers, licensed by the South Vietnamese Government, decide what they desire to purchase, and if it is on the AID "approved list" and they comply with the established procurement procedures, the United States makes payment in dollars to the supplier, and the South Vietnamese importer pays the piaster equivalent of the dollar cost of the product when it arrives in South Vietnam.

The piasters that the South Vietnamese importer pays for CIP goods are deposited into a special counterpart account at the National Bank of Vietnam and are owned conditionally by the Government of South Vietnam subject to the joint control of the United States. This fund is used to finance U.S.-GVN programs, general budgetary support, and supplementary military budget support.

The CIP program should be distinguished from the concurrent Food for Peace Program. Under the provision of Public Law 480 (title I), piasters are generated by sales of surplus U.S. agricultural products to South Vietnam. These piasters are U.S. owned and are held in a U.S. Treasury account. Substantially all of the piasters generated by the sale of title I commodities are made available to GVN for military budget support. The remainder of the Public Law 480-generated piasters are used by the United States for general expenditures in South Vietnam. The value of funds generated by the sale of Public Law 480 commodities in South Vietnam is estimated at \$120 million in fiscal 1973.

The subcommittee's hearings in July 1971 describe in considerable detail the status of the CIP and the efforts being made by AID to further tighten up the economy and efficiency of the program.¹¹

In fiscal 1972, the cost of the CIP program was estimated at \$313 million. For fiscal year 1972, it is estimated at \$376 million. It is used to finance the import of such essential products as fertilizer, industrial raw materials, capital equipment, cement, wheat flour, chemicals, petroleum products, etc.

In its October 1966 report,¹² the committee found that consumer goods financed under the CIP were being pumped into South Vietnam without any determination as to the real needs of the economy or the ultimate use of the goods. It further concluded that the flooding of South Vietnamese markets with commodities at an unrealistic rate

¹⁰ See p. 6 of this report.

¹¹ See hearings, pp. 46-60.

¹² H. Rept. 89-2257, p. 10.

of exchange and without effective monetary and fiscal controls encouraged speculation and various forms of corruption, fed inflation, and deprived the United States of maximum benefits from its economic assistance program.

Some improvements in the AID management and control of the CIP, based on the committee's recommendation, were noted in a followup report issued in 1967 (H. Rept. 90-610). Continuing investigative work by the General Accounting Office, undertaken at the request of the subcommittee, along with prodding of the agency through subcommittee field hearings and staff surveillance resulted in additional implementation of the committee's recommendations by AID. These actions are further described in a second followup report issued in 1970 (H. Rept. 91-1583).

Supplementing the CIP program in providing overall economic support to the GVN is the piaster-purchase program of the Department of Defense. DOD purchased piasters from the Government of South Vietnam at the 118-to-1 rate to pay the local costs of operating military bases and for the purchase of goods and services (local nationals payroll, sand, gravel, fresh vegetables, etc.) in support of the U.S. military forces in South Vietnam. These dollars used to purchase piasters were, in turn, used by the Government of South Vietnam to finance the import of goods necessary to support the economy and the war effort in addition to the goods imported under the U.S. economic assistance program. During fiscal 1971, the DOD purchases of piasters amounted to 52.147 million piasters or \$442 million (converted at the official 118-to-1 exchange rate).

Dollars acquired at the 118-to-1 rate by the GVN generate, through the import process, about 290 piasters per dollar in Government revenues, and further illustrates the inequity of the present monetary rate of exchange for official purchases that is adversely affecting the United States.

AID estimates that with the continued decline of U.S. military forces in South Vietnam in 1972 and the corresponding decline of piaster purchases by DOD, it will be necessary to increase the CIP from the fiscal 1974 level of \$266 million to \$376 million in fiscal year 1973.

In its fiscal 1973 budget, AID requested that an additional \$125 million be appropriated for the establishment of an economic support fund and an economic development fund designed to provide a level of foreign exchange adequate to meet South Vietnam's resources requirements.¹³ This amount is estimated to be approximately the equivalent of the drop in DOD piaster purchases during fiscal year 1973.

On June 2, 1970, the General Accounting Office issued a report (B-159451), based on its continuing surveillance of the CIP in South Vietnam. This GAO report served as the basis for the committee's report on October 8, 1970 (H. Rept. 91-1583).

Much of the additional data on CIP operations was provided through interrogation of AID's Assistant Administrator (Vietnam), Robert H. Nooter, and William C. Schneisser, Jr., AID's Associate Assistant Administrator for Commodity and Contract Management, at the subcommittee hearings in July.¹⁴

¹³ AID congressional presentation, fiscal year 1973, p. B-1.

¹⁴ See hearings, pp. 47-60.

Mr. Schmeisser provided details about eligible-commodity listings, the use of automatic data-processing equipment, steps taken to control import levels, and the use of market surveys to determine proper licensing levels for specific commodities. He also furnished data concerning the use of end-use audits of CIP-imported commodities, bank warehouse audits, the solicitation of price verifications on offshore procurement of commodities imported under the CIP, and procedures for U.S. AID review of CIP license applications by commodity analysts in Saigon.

On the basis of the GAO report, continuing subcommittee study (assisted by additional GAO followup investigations through December 1970), and information presented by AID witnesses at the hearings, it is apparent that AID has taken a number of corrective actions that have helped improve the economy and efficiency of the CIP in South Vietnam.¹⁵

Several of these improvements are particularly noteworthy. AID now examines some 30 percent of imported goods arriving in South Vietnam under the CIP and also examines all arrival documents of such shipments. U.S. customs advisers monitor such shipments and are greatly responsible for the overall improvement in the GVN customs collection system.

Until a year ago, the GVN customs operations at Tan Son Nhut Airport, Saigon, was a cesspool of corruption through which an estimated 1 billion piasters was lost each month in uncollected duties. Recommendations contained in a detailed report on corruption at Tan Son Nhut by U.S. customs adviser Joseph R. Kvoriak in February 1971, were presented to the South Vietnamese Director General of Customs and resulted in a wholesale replacement of corrupt GVN customs inspectors and in the next few months a corresponding sharp increase of 1 billion piasters a month in customs collections was noted.¹⁶

Previously noted "bugs" in the AID automatic data processing (ADP) system appear to be eliminated, now permitting detailed analyses by commodity, by importers, by supplier, and by source, of every individual license issued under the CIP since July 1968. The ADP system also provides data for current monitoring license applications as they move through the Government of South Vietnam and U.S. AID offices for approval.¹⁷ This surveillance, in addition to tightened procedures in the selection of commodities eligible for AID financing under the program, and other safeguards dealing with local production of the proposed import, demand, inventories in bank warehouses, reasonableness of price and freight rates are positive steps in the right direction, even if they have been too long in coming into being.¹⁸

However, in several other important aspects of the program there continue to be some of the same deficiencies previously noted in earlier investigations. A number of the specific previous committee recommendations to remedy these deficiencies in CIP management have not yet been fully implemented. For example:

¹⁵ Ibid., pp. 6-7. For a detailed description of steps taken by AID to improve administration of the CIP as recommended in previous committee reports, see also, pp. 84-87.

¹⁶ Ibid., pp. 10-11, pp. 115-116. A copy of the Kvoriak report, dated Feb. 3, 1971, is in the subcommittee files.

¹⁷ Ibid., pp. 7, 59.

¹⁸ See H. Rept. 89-2257, p. 24; H. Rept. 90-610, pp. 15 and 16; and H. Rept. 91-1583.

(1) While AID no longer permits dollar commissions to be paid to ineligible sales agents (those who are not both citizens and residents of the United States), it is lagging in the collection of claims against the Government of South Vietnam for such commissions paid in the past and not refunded.

(2) AID still does not require that CIP commodities being shipped from third-country suppliers be inspected immediately prior to shipment to South Vietnam. "Short-shipments" had previously been noted as one of the most pervasive of the illicit activities connected with the CIP.

(3) The U.S. Ambassador still has not succeeded in the establishment of a Government of South Vietnam escrow account of at least \$10 million for the payment of dollar claims against the Government of South Vietnam, as specifically expressed as the sense of Congress in the Foreign Assistance Act of 1961, as amended by Public Law 90-132.

(4) AID verifications of prices on offshore CIP procurements have not been systematized in such a way as to assure fullest economy and efficiency in such transactions. Although "reasonableness of price" is one of AID's stated criteria before approval of an import license for a particular commodity, adequate records of actual price verifications are lacking.

(5) AID end-use audits of commodities imported under the CIP are still inadequate, although additional audit personnel in Saigon has resulted in an increase of such audits from four in 1966 to 19 in fiscal year 1971. The most recent year covered a dollar value of CIP imports of \$130.6 million, or 58 percent of the total imported. However, the representative-sample techniques used in the audits traced only \$29.3 million of the commodities, or only about 11 percent of the total, on the basis of ultimate end-use.

As of July 1971, the Government of South Vietnam had registered 3,165 importers, end-users, and exporters. Documents obtained by U.S. AID from the Vietnamese Directorate of Economic Control show that there were 1,689 active importers, of which 1,239 are merchant importers, and 450 are manufacturers or end-users.

A decree, issued by the Ministry of Economy on March 11, 1971, helped to stimulate competition and stabilize the import market by liberalizing capital requirements for joint-stock companies that can be licensed to import as "specialized companies" and do business in any of the 18 major commodity groups.¹⁹

U.S. AID/Saigon commodity analysts are now able to complete their review of CIP license applications within 72 hours in approximately 85 percent of the cases. Such review and decision depends largely on an analyst's judgment of the merits of the documentation accompanying the application. During fiscal 1971, a total of 13,798 license applications were received; 4,999, or 36 percent, were rejected.²⁰ Major

¹⁹ See hearings, "Inequitable Currency Exchange Rates in Vietnam," pp. 48-49.

²⁰ Hearings, p. 59.

reasons for rejection were failure to post advance deposits, missing documentation, or failure to meet competitive price or other CIP criteria.

A listing of ineligible importers, suppliers and agents is maintained monthly by U.S. AID/Saigon. In view of the committee's concern over illicit practices in the CIP and other investigations currently underway involving black-market currency manipulation, AID has agreed to supply the ineligible list, which also contains known black-market currency manipulators to the subcommittee.²¹

U.S. AID/Saigon has also applied criteria to make certain that when an importer is suspended for illicit activities in connection with the CIP, affiliated companies or subsidiaries are likewise suspended if the beneficial interest exceeds 49 percent of such affiliate or subsidiary or where there is an interlock of top officers or stockholders of such companies.²²

Recommendations

1. In the planned increase of the CIP during fiscal 1973, AID should make certain that commodity imports do not dampen incentive for the production of similar products by local South Vietnamese industries. In the transition period, as U.S. military action diminishes and our presence becomes less a factor in the South Vietnamese economy, every possible incentive should be provided to individual South Vietnamese producers to expand both their domestic and foreign market potentials. Government of South Vietnam economic planning, both short- and long-run, should be geared to this effort to maximize the industrial base to produce goods which now must be imported in significant quantities.

2. While there has been a slight increase in the procurement of Government of South Vietnam-financed imports from the United States, our country is receiving far less than a fair share of orders (8.7 percent) as compared with Japan and Singapore (42 percent). Our Government should direct the U.S. Ambassador to South Vietnam to make the strongest possible representations to the Government of South Vietnam to vastly increase its importation of U.S. manufactured goods, especially development items. In view of the complete U.S. support of the Government of South Vietnam import program, directly and indirectly, and in view of the present U.S. foreign and domestic economic problems, some significant reciprocal move on the part of the Government of South Vietnam should certainly be forthcoming.

3. AID should tighten its preshipment inspection requirements incorporated under current and future economic assistance agreements to assure proper net weights, quality specifications, packaging, suppliers' certification, et cetera, on a greater range of CIP commodities from third-country sources.

²¹ Ibid., p. 44. Ineligible lists are in the subcommittee file.

²² Ibid., p. 43.

4. AID should establish a more comprehensive price verification system for offshore procurements of CIP commodities because of the planned increases in the level of the CIP in South Vietnam and because of unstable world economic conditions that could result in abnormal price fluctuations. In addition to technical services that are rendered through AID missions and U.S. Embassy personnel in various countries, U.S. AID/Saigon commodity analysts should fully utilize existing commercial sources for comparative price quotations.

5. U.S. AID/Saigon should maintain increased surveillance over existing supplies of individual commodities, including those in bank warehouses, before approving licenses for additional imports of such commodities. Expanded numbers of ultimate end-use audits are particularly recommended in view of the planned increase in the level of the CIP in South Vietnam.

The committee, through the work of the Subcommittee on Foreign Operations and Government Information, will continue its close surveillance of the economy and efficiency of the CIP during the coming year.

V. AGRICULTURE AND LAND REFORM

Background

South Vietnam is predominantly rural and agriculturally oriented. Some 70 percent of the population resides in rural areas. The decentralized social, economic, and political characteristics of the South Vietnamese society has historically meant relatively weak central governments since control and authority has been diffused into village, district, and province structures.

Like other Asian countries, South Vietnam relies heavily on its rice crop each year. Before the intensification of the war, South Vietnam exported as much as 200,000 tons of its rice annually. Peak rice production was 5,300,000 tons in 1963. But as the war accelerated, rice output dropped steadily to 4,336,000 tons in 1967. Over 700,000 tons of rice had to be imported that year.²³ Until 1971, Vietnam was forced to import rice to meet its consumer demands.

Shipments of title I, Public Law 480 commodities to South Vietnam from the United States over the years have included rice, cotton, flour, corn, wheat, tobacco, sweetened condensed and nonfat dry milk, and other commodities. When sold on the local market by importers, these commodities have generated piasters to support the GVN war effort. Title I sales in South Vietnam in fiscal 1970 were \$104 million and in fiscal 1971, \$110 million. Estimated sales for fiscal year 1972 are \$115 million.²⁴

AID agricultural technical assistance has also been provided to the Government of South Vietnam in efforts to increase the production of rice, poultry, and livestock, in research, in irrigation, and in grain handling and marketing systems.

Land Reform

The ownership of vast areas of rich land by a relative handful of the wealthy elite, as contrasted with the mass of the land-poor peasants who had to rent land to survive, was a characteristic of South Vietnam as in the Far East and colonial-dominated areas of the world. Historically, it is in such widely contrasting economic and social cleavages that the seeds of communism have been planted and taken root.²⁵

Sporadic attempts at land reform in South Vietnam began soon after the victory over French colonialism in 1954. A detailed account of the actions taken by the Government of South Vietnam in acquiring agricultural land to be used in land reform was contained in a March 1968 report of this committee (H. Rept. 90-1142). Such efforts were

²³ Ibid., p. 3.

²⁴ Ibid., p. 78. See also AID congressional presentation, fiscal year 1973, *ibid.*, p. B-4.

²⁵ For a detailed description of this thesis, see a study for the subcommittee by Dr. Paul S. Taylor entitled "Communist Strategy and Tactics of Employing Peasant Dissatisfaction Over Conditions of Land Tenure for Revolutionary Ends in Vietnam." Committee print, August 1970.

judged to be totally inadequate and largely ineffective. Of the 4.48 million acres of land acquired, less than 15 percent was redistributed to individuals and less than 10 percent distributed for communal and public use.

During the period 1954-68, U.S. AID provided some \$21 million to support these inadequate Government of South Vietnam land reform programs, including approximately \$4.8-million-funded technical equipment and technical services and the remainder in counterpart funds to defray Government of South Vietnam administrative costs. No U.S. financial assistance was provided for land reform during fiscal 1961 through fiscal 1965, as the land redistribution program virtually ground to a halt that extended to 1967.

In 1968 this committee strongly urged our Government to press the Government of South Vietnam for "an aggressive new program of land and rent reform going beyond the implementation of present legislation and projects."²⁶ On March 26, 1970, the Government of South Vietnam National Assembly finally enacted the "land-to-the-tiller" law under which tenant farmers will receive title to the rice lands they are farming, up to a limit of 3 hectares in the southern part of South Vietnam to 1 hectare in Central South Vietnam.²⁷ The former owner of the land will be reimbursed by a 20-percent cash payment, plus bonds which may be redeemed in equal annual installments over an 8-year period.²⁸

The new law, intended to virtually eliminate tenancy on rice lands, should help to provide rural South Vietnamese residents an increased commitment to the defense of the central government. It should also help provide them with a fairer share of the economic benefits of their own labor. The Government of South Vietnam stated its intention to implement the new land reform program over a 3-year period.

Land Reform Progress

The Government of South Vietnam implementation of the new "land-to-the-tiller" law, enacted in March 1970, began in September 1970. By the end of 1971, some 1,145,000 acres had been transferred to nearly 325,000 tenant farmers.²⁹ The current estimate thus far after a year's operation is the distribution of about 2.5 million acres to some 700,000 farm families.

A special land distribution program for Montagnards was initiated by the Government of South Vietnam in late 1970 but titles had been issued to only 22,000 Montagnard families for some 125,000 acres by the end of 1971. Another Government of South Vietnam program, directed toward the confirming of individual ownership rights within refugee and development settlements and to squatters on public domain lands, resulted in the issuance of titles to some 65,000 acres.³⁰

U.S. AID lends technical assistance to the Government of South Vietnam land reform programs, including the training of personnel and village officials who administer the programs, the use of aerial photography as a substitute for ground surveys, the development of management controls, and the application of computer technology.

²⁶ H. Rep. 90-1142, p. 16.

²⁷ A hectare is 10,000 square meters of land, or about 2.47 acres.

²⁸ AID congressional presentation, fiscal year 1973, p. B-2.

²⁹ *Ibid.*, pp. B-2, B-18-19.

³⁰ *Ibid.*, pp. B-18-19.

Total U.S. AID cost of supporting the Government of South Vietnam land program will be \$47 million. Approximately \$10 million was obligated from fiscal 1969 funds and an additional \$15 million from fiscal 1971 funds. Another \$15 million is proposed in the fiscal 1973 budget. U.S. funds are released only as the Government of South Vietnam payments to former landowners are actually made. These funds are subsequently used by the Government of South Vietnam to finance imports as part of the CIP, thus helping to offset the inflationary effects of piaster payments to the former owners of the land.³¹

Increased Crop Production

For the first time in many years, the current production of rice in Vietnam should be sufficient to meet its consumer needs. With U.S. AID assistance and work done by the International Rice Research Institute (IRRI) in the Philippines, several new "miracle" strains have been introduced and, together with increased use of imported fertilizers and pesticides, have boosted the rice crop to some 5,700,000 tons.³² At the present rate of increase, it is possible that the GVN may reach a level of production that will make it possible to again export rice to earn badly needed foreign exchange if markets are available.

North Vietnam was also expected to harvest a record rice crop in 1971, using the same types of "miracle" strains such as "IR-8" produced by the IRRI and obtained by the North Vietnamese through commercial seed channels in Hong Kong and elsewhere. However, in the fall of 1971, floods upset that crop forecast. Their rice crop this year was estimated to be nearly 6 million tons, about 1 million higher than in 1959, the previous best production year. It is still expected to be slightly less than the amount of rice needed to feed North Vietnam's 20 million people.³³

In other U.S. AID-assisted crop production projects, efforts are being directed toward increasing domestic production of animal feed and research in other crops adaptable to South Vietnam, particularly those with export potential. Planting of corn and sorghum has been targeted at 72,500 acres in 1971 and 150,000 acres in 1972. Efforts are also being directed to assist the GVN to increase poultry production by 15 percent per year and swine production by 10 percent per year. Additional emphasis is being placed on the training of personnel and development of an agricultural credit system and farm cooperative organizations. Technical assistance is directed mainly to the Agricultural Development Bank (ADB) to increase the availability of loan funds, efficiency of operations, and broader coverage of the farmer population.³⁴ The level of funding for U.S. AID assistance to the Government of South Vietnam in the field of agriculture for fiscal 1972 was \$4.9 million, as compared with \$7.3 million in fiscal 1971, and a proposed \$5.2 million level for fiscal 1973.³⁵

³¹ Ibid., p. B-18.

³² Hearings, p. 3.

³³ For an informative description of the North Vietnamese rice situation see an article by George McArthur of the Los Angeles Times entitled "North Vietnam Reaping Record Rice Crop," Washington Post, Aug. 19, 1971, p. F2.

³⁴ AID congressional presentation, fiscal year 1973, pp. B-6, B-13-17.

³⁵ Ibid., p. B-5.

Needs and Objectives

Among the specific needs and objectives of U.S. assistance in the fields of agriculture and land reform in South Vietnam, the committee believes that there is a continuing requirement to diversify the production of new types of crops that are adaptable to the soil and climate conditions of South Vietnam and that represent a potential export market.

Similarly, the committee concludes that laudable objectives in the expansion of a rural banking system and farm loan programs in Vietnam, together with necessary extension services will be of significant value to those farm families who have recently received acreage under the South Vietnamese "land-to-the-tiller" law and who need capital, as well as technical aid, to realize the full economic benefits from their newly acquired land.

Finally, the committee concludes that U.S. AID management and technical assistance being provided to the Government of South Vietnam is a continuing requirement to help accelerate the distribution of land under the "land-to-the-tiller" law and other programs such as the special Montagnard land distribution so that the backlog of claims for payments to former landowners can be further reduced.

VI. PUBLIC SAFETY PROGRAM

Background

Public safety programs in South Vietnam have been supported by AID and its predecessor agencies since 1955. Until 1961, the U.S. AID program was largely limited to training. The present program as administered over the past 10 years has consisted of (1) support for the national police force; (2) establishment of a police telecommunications system, and (3) support for GVN correction centers. Since the formation of the civil operations and rural development support program (CORDS) in 1967, the U.S. support effort has been included as a directorate under that organization.³⁶

U.S. AID's public safety division has provided over 200 police specialists to help train, organize, and equip the Government of South Vietnam National Police forces at all levels, including the National Police Field Forces (NPFF), a paramilitary police unit engaged primarily in combating the Vietcong infrastructure (VCI) in rural areas of South Vietnam. The National Police Force has increased from 75,000 in 1967 to 114,000 in January 1972 with a proposed increase to 122,000 by June 30, 1973.

A separate national police telecommunication system was established in 1965 and involves a network of radio, telephone, telegraph, and teletype equipment that connects villages and hamlets with province capitals and with Saigon. AID technicians helped design the system and AID funds paid for much of the equipment used.

The national identity registration program, begun in October 1968, has now registered more than 6.5 million South Vietnamese aged 15 and over.

U.S. AID's role in the Vietnamese correction center program is largely an advisory one designed to improve the conditions at the 42 centers established under the program.

Con Son Prison

Much public attention had been focused on inhumane treatment of inmates at these centers in 1970, particularly the repression of political prisoners at the infamous Con Son Island prison where Members of the U.S. House of Representatives disclosed the use of "tiger cages" to hold certain types of prisoners in close confinement. The tiny cells were almost identical to those used on Devil's Island off the coast of French Guiana.

Hearings on U.S. assistance to the public safety program in South Vietnam were held by the subcommittee on July 13, August 12, and

³⁶ Background on the Public Safety Program in Vietnam is taken from testimony by AID Assistant Administrator (Vietnam) Nooter's testimony. See hearings, pp. 5-6 and also the AID congressional presentation, fiscal year 1973, pp. B-67-70.

August 17, 1970. Testimony was presented by Representatives William R. Anderson, Augustus F. Hawkins, Philip M. Crane, AID, Defense Department, and outside witnesses concerning their firsthand observations of conditions at Con Son.³⁷ Pictures and tape recordings were also used to document the testimony.

Graphic descriptions of brutality, improper diet, poor medical facilities, and unsanitary prison conditions were presented by Members and a staff member of the House select committee which toured South Vietnam, to inspect the conduct of U.S. operations, in the previous month.

It was also revealed that North Vietnamese prisoners of war were incarcerated on Con Son, for alleged crimes committed while prisoners, contrary to terms of the Geneva Convention.³⁸

On December 28, 1970, USMACV Headquarters in Saigon issued a new policy directive (528-8) designed to upgrade public safety correction and detention policy and operations.³⁹ But shortly thereafter, MACV awarded a \$400,000 contract to the RMK/BRJ construction combine to build new isolation cells at the Con Son prison facility.⁴⁰

AID Support of GVN Public Safety Program

USAID has expended some \$77.8 million in the public safety program from fiscal 1967 through fiscal 1972, while the Defense Department has contributed another \$48 million, primarily to those paramilitary elements of the National Police such as the NPFF.⁴¹

AID project assistance for public safety was \$9.5 million in fiscal 1971 and \$8.8 million in fiscal 1972; \$6.8 million was requested for fiscal 1973.⁴² Additional funds for the public safety program were provided by the Department of Defense—\$9 million in fiscal 1970, \$8.2 million in fiscal 1971, and an estimated \$11.6 million in fiscal 1972.⁴³

The committee readily concedes the probable need for USAID funds for police training, personnel, equipment, and technical assistance to the Government of South Vietnam in strengthening and improving all aspects of its National Police operations.

But no program can be efficient and economical if it does not achieve the objectives for which it was authorized and created. Conflicting viewpoints on the operation of the public safety program, as expressed in AID documents and by various witnesses at the subcommittee's hearings, have raised serious questions as to the degree to which stated objectives are actually being achieved. Broadly stated AID describes the major public safety project targets as follows:⁴⁴

National Police support.—AID assistance under this project assists the Vietnamese National Police to maintain law and

³⁷ Transcripts of these subcommittee hearings were not printed; copies are in the subcommittee files.

³⁸ On Apr. 27, 1971, Chairman Moorhead announced in a speech on the House floor (H3009), that these prisoners of war had been transferred by the Government of Vietnam to the Chi Hon National Corrections Center in Saigon and that no more POW's would be sent to Con Son.

³⁹ Hearings, pp. 228, 229 contain text of directive.

⁴⁰ Ibid., p. 72; p. 96.

⁴¹ Ibid., p. 6.

⁴² AID congressional presentation, fiscal year 1973, p. B-5.

⁴³ Telephone conversation with Mr. Jack Rose, Office of the Comptroller, Department of Defense, Jan. 11, 1972.

⁴⁴ AID congressional presentation, fiscal year 1973, pp. B-67, B-69, B-70.

order and local security in pacified urban and rural areas, combat smaller Vietcong elements, and deny resources to the enemy.

Public safety telecommunications.—Under this project, AID provides support for the National Police radiophone system for nationwide police operational communications from the national to the district level, and the Government of Vietnam Combined Telecommunications Directorate (CTD).

Corrections centers.—Under this project, AID provides support for improvements in Vietnamese prison conditions. There is a need to expand the capacity of existing prisons, improve security, and continue to develop better health and rehabilitation facilities.

AID Assistant Administrator (Vietnam) Nooter described U.S. assistance to the South Vietnamese National Police in his testimony thusly: ⁴⁵

* * * AID's task has been to assist the National Police in recruiting, training and organizing a force for the maintenance of law and order, including all normal police functions. In carrying out its task, AID's public safety division has had a team of over 200 police specialists in Vietnam helping train and organize the National Police forces at all levels. In Saigon, we have been concerned with revising legislation and planning for the gradual expansion of the National Police Force from about 75,000 in 1967 to over 100,000 today. Most of this force has received training either in-country or abroad, the entire directorate virtually reorganized along modern police lines, over 3,000 policewomen added to the service and a special inspection division established which has led to prosecution or disciplinary action against 2,200 policemen for violation of conduct including corrupt practices. The National Bureau of Narcotics has been reorganized and a narcotics section established at both regional and provincial levels. A nationwide identification program is nearing a goal of registering 12 million Vietnamese over 15 years old.

In response to questions by Representative Reid concerning allegations of political oppression and brutality by the Thieu regime, Mr. Nooter said: ⁴⁶

It is our objective in the AID program to help the police force and to help the correction centers run both more efficient and more humane operations. To the degree in which we get sufficient cooperation to make it appear that those objectives can be attained, I think it is to our advantage to continue our presence in those programs.

There has been a rapid expansion of the Vietnamese National Police Force over the past several years, as was brought out in the colloquy between Representative Moorhead and Mr. Nooter: ⁴⁷

Mr. MOORHEAD. Mr. Nooter, what was the numerical strength of the National Police Force, let's say, in 1964?

⁴⁵ Hearings, p. 5.

⁴⁶ Ibid., p. 44.

⁴⁷ Ibid., p. 37.

Mr. NOOTER. Probably about 10,000 in 1964.

Mr. MOORHEAD. So the South Vietnamese police force has increased from 10,000 to 118,000 now, to a projected 122,000; is that correct?

Mr. NOOTER. Yes, sir. Incidentally, on that point, it is the opinion of our advisers there that an adequate police force for Vietnam in peacetime would be about 75,000. Given wartime conditions and the extra security burdens that that implies, some of which fall on the police, they feel that the 122,000 is an appropriate number.

AID's fiscal 1973 congressional presentation described the accomplishments of the National Police support project : ⁴⁸

More than 50 percent of all National Police were assigned to the district level and below. The number of police assigned to the village level has increased from 11,000 to over 31,000 and the number of village stations from 1,776 to 2,102. Efforts to control illegal movement of weapons, food, and drugs during 1971 resulted in 1,900 confiscations of weapons; 226,000 rounds of ammunition; 614,000 kilos of contraband food-stuffs; and 9,946,000 capsules and tablets of medicine or drugs.

Correction Centers

Additional information was solicited concerning the operation of AID-supported correction center projects. Assistant AID Administrator (Vietnam) Nooter testified : ⁴⁹

AID's efforts on behalf of correction centers have been directed at raising to minimum standards the living conditions, feeding, welfare and security of inmates. We have helped plan the renovation of over 250 units including dispensaries, dining rooms, bath houses, sewage systems, and inmate housing. The daily food ration has been increased and vocational training is now being conducted at 32 centers. There is still room for improvement as evidenced by the disclosure last year of conditions in Con Son Prison. However, while individual instances of inhumane treatment no doubt exist, the overall system is far less onerous than the impression conveyed in press stories during the past year. Specifically, the monthly death rate in Vietnamese prisons from all causes in 1970 was 0.03 percent per month, which is better than the death rate for the country as a whole. This is less than one-fourth of the 0.14-percent-per-month death rate in 1967, when our assistance started, and is an extremely low rate by any absolute or relative standard.

Several months earlier, Nooter had taken note of increasing congressional concern over the Con Son incident and other instances of alleged prison brutality when he testified before the House Foreign Affairs Committee : ⁵⁰

⁴⁸ Ibid., pp. B-67 and 68.

⁴⁹ Pp. 5-6.

⁵⁰ Hearings, Foreign Assistance Act of 1971, House Foreign Affairs Committee, pt. 1, p. 239.

We have also received numerous comments and suggestions that the United States should withdraw the assistance which we have been providing to the Vietnamese prison system. The U.S. financial support for this program is small, but I would like to comment on it since it has received such wide public attention.

It is tempting, indeed, to contemplate withdrawal from a program which has received such wide public criticism. Our role is advisory and not operational, and, no doubt, the prison system still leaves much room for improvement. However, there are several reasons why I believe that we should continue to support this program for a few more years.

First, there is no doubt in my mind that South Vietnamese prisons are better operated and provide more humane treatment of prisoners than would be the case if our program had not existed. We have helped finance construction which has relieved crowding conditions in the prisons. We have provided training for Vietnamese personnel, and our advisers have worked with them in a constructive way. The Vietnamese have not always operated their prisons in the way we would, but they have shown a willingness to work with us and have accepted our advice in most cases.

* * * * *

I do not believe that we should walk away from this problem simply because it is a difficult one, as long as the Vietnamese continue to demonstrate their willingness to work with our advisers and to make improvements. We will, of course, phase out these activities as soon as we believe that the objectives of this program have been attained, but our assessment now is that this will take several more years.

The subcommittee asked Ambassador Colby, outgoing director of the CORDS program, to describe the extent to which CORDS has contributed to the operations of GVN prisons, detention centers, and interrogation centers. Colby responded as follows:⁶¹



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In 1963, a U.S. program of advice and assistance to the Government of Vietnam prison system was initiated, which was taken over by CORDS in 1967. The program initially focused on a vocational skills training program. In 1967, the problems of overcrowding because of the war and loss of prisoners to Vietcong attacks became serious. Thus, a substantial program of fortification and expansion of prison facilities was undertaken. To this was added a variety of programs to improve facilities and procedures in the correction and detention systems, both before and after the Con Son incident of 1970. Advisory attention to these centers has been increased over the years, using both civilian and military personnel, including six members of the U.S. Federal Bureau of Prisons now in Vietnam. As a result of the overall program (and the more stringent standards of apprehension established under the Phoenix program), overcrowding has been eliminated except in a few facilities, the death rate in the correction

⁶¹ Hearings, pp. 225-226.

centers has dropped from 1.56 per thousand per month in 1967 to 0.36 per thousand per month in 1970, medical care has substantially increased and feeding and sanitary facilities have been improved. Additional improvements are still needed, but the advice and assistance to date has certainly improved the Government of Vietnam's operation of all these centers, as well as the circumstances of their inmates. Funding (AID and DOD) for corrections and detentions (including the cost of civilian advisers) from the inception of CORDS is as follows:

(Dollar amount in thousands)

Fiscal year	Amount	Priesters (millions)
1967	\$78.0	43.0
1968	1,199.7	760.0
1969	951.5	493.0
1970	315.3	42.8
1971	267.0	102.2
1972	627.4	69.3

Note: With respect to interrogation centers, CORDS since its establishment in 1967 has provided about \$100,000 toward repairs and improvements.

Other written questions submitted to Ambassador Colby on the operations of interrogation centers produced the following responses:⁵²

Question 10. How many interrogation centers are being operated by the United States or under U.S. advisory supervision? Specify each location. How many U.S. personnel are assigned to such operations and what are their duties and responsibilities?

Answer. A Provincial interrogation center exists in each of the 44 provinces, a regional center in each of the four regions and a national center at Saigon, operated by the special branch of the National Police with advice and assistance from the Pacification Security Coordination Division of CORDS. In addition, military interrogation centers are operated by Army of the Republic of Vietnam, United States, Korean, and Australian military units at appropriate levels at which interrogations are conducted. In August 1971, 26 U.S. civilian personnel worked with the civilian centers described above, providing advice on professional interrogation techniques, reporting the significant intelligence acquired, and observing the standards of treatment of inmates. Present plans are to phase out most provincial centers (and U.S. advisory support) during the coming year and rely only on the regional and Saigon centers.

Question 11. To what extent are U.S. personnel present or assisting in the interrogation of Vietcong or North Vietnamese suspects?

Answer. U.S. personnel are primarily advisors with respect to Government of Vietnam interrogation of Vietcong or North Vietnamese suspects. Thus they are sometimes present, sometimes not; they sometimes make suggestions with re-

⁵² Ibid., p. 226.

spect to questioning, and sometimes do not. There is no fixed rule in this regard, other than that of helping Government of Vietnam personnel to meet professional (and ethical) interrogation standards. To the extent that suspects are apprehended by U.S. military units, of course, U.S. personnel will conduct at least initial interrogations to determine how they should be handled. On some few occasions, special arrangements are made for U.S. interrogators to have access to particularly interesting cases for direct interrogation on matters of interest to the United States.

Alleged Brutality

Other witnesses, however, criticized the operational basis for AID and CORDS support of the public safety program in South Vietnam. In some cases, this testimony was based on personal knowledge; in others, it appeared to express an opinion. Mr. Don Luce, an outside witness with 12 years of service in South Vietnam with the International Voluntary Services as an agriculturist, a journalist, and representative of the World Council of Churches told the subcommittee:⁵³

I think this morning one of the confusions about the police system is that there are so many different police systems, so many different prison systems. For example, there are the national correction centers, provincial correctional centers, detention centers, interrogation centers, police station jails, and military prisons. People are imprisoned into all of these different categories of prisons. So when you try to count the number of political prisoners, or when you consider what has happened to the prisoners, it becomes very confusing as to which system these people fall under, who is responsible. But the United States has been building the prisons. We furnish the tear gas which is used to repress the students, and I found in Vietnam that it was very hard to get the information about what was happening from the U.S. officials.

For example, a year ago, 11 Vietnamese university students were released who had slivers under their fingernails, who had round holes in sensitive parts of their body which they said were from cigarette burns and were covered with black and blue spots.

A group of us from different voluntary agencies, such as myself from the World Council of Churches, representatives from the Unitarian Service Committee, the American Friends Service Committee, and International Voluntary Services, requested to see Ambassador Bunker about the fact that Vietnamese students were being tortured, that the U.S.-donated equipment had been involved in their arrest, and that we were supporting the whole prison system and police system. Ambassador Bunker's office said Ambassador Bunker could not see us, we should see Deputy Ambassador Berger. He said he could not see us, we should see the Youth Affairs Office. They said they could not see us, we should see the Public Safety Director. He said we should see the prisons adviser. The pris-

⁵³ Ibid., pp. 98-99.

ons adviser said that this was the kind of a decision that was too high for him to comment on, there was nothing he could do about it. It is very frustrating.

Mr. Luce described interrogation practices in Vietnam in this colloquy with Representative McCloskey:⁵⁴

Mr. McCLOSKEY. Mr. Luce, in your long experience in Vietnam, would you state to the subcommittee the common belief, the common reputation of Vietnamese interrogation procedures with the American community, both military and political, in South Vietnam, as to the manner of torture of prisoners during the interrogation process?

Mr. LUCE. The general opinion of Vietnamese, and I have talked with people who have been in interrogation centers and later released, and talked with just in general hundreds of people about this general question, is that almost every Vietnamese who is picked up is immediately tortured, and then goes to an interrogation center, or a police station, and is tortured again.

Then the question of American involvement in this, the people say that in many cases Americans are here, so that Vietnamese generally feel that Americans are often watching the torture and sometimes involved in the torture.

Mr. McCLOSKEY. Now, what is the reputation in the American community? How about the Americans that you have talked with over there? What is their common understanding, belief or impression as to whether South Vietnamese use torture in the interrogation process, if you know?

Mr. LUCE. I think that almost all Americans there would know of specific cases where the torture has been used. You know, it is just an accepted fact there.

Mr. McCLOSKEY. Is it a matter of common discussion?

Mr. LUCE. Yes.

* * * * *

Mr. McCLOSKEY. What, in your opinion, can be said, or what is your attitude about a program under which a prisoner, perhaps captured or certainly assisted in the capture by American troops, is turned over in a province interrogation center for 46 days for interrogation solely by South Vietnamese with no Americans present?

Mr. LUCE. Well, my first reaction is the United States probably built this interrogation center, that we were involved in the arrest of this person, either directly or indirectly, and we cannot escape the responsibility for what happens to that individual. We are a part of that torture as much as if we were there and maybe even more so because we are doing nothing to stop it and doing a large number of things to encourage it.

Mr. McCLOSKEY. Have you compiled any documentary evidence of torture, such as statements of individuals allegedly claimed to have been tortured?

⁵⁴ Ibid., pp. 106-107.

Mr. LUCE. I have at home, tapes of people that have been interviewed, people who have been arrested by Americans, and beaten by the Americans, and then go through the whole prison system, ending up at Con Son or other places. I have interviewed American interrogators who have used what they call the good-guy bad-guy approach, that is, when the prisoner arrives at the interrogation center they give him coffee and cigarettes and water, anything that he wants, and then if he does not give information, they turn him back to the Vietnamese.

According to this interrogator, he said just about every Vietnamese prisoner that he had received had been tortured by Vietnamese interrogators, and that the most effective way of getting information was to threaten to send them back, and in some cases sending them back to the Vietnamese. As a matter of fact, I found one interrogation center through a former prisoner who had met two North Vietnamese medical technicians who, he said, their fingers were twisted up, you know, had been broken. They had been beaten on a table with boards, they said, by an American.

In a subsequent colloquy with Representative Moss, Mr. Luce also testified as to the use of the Vietnamese police for political purposes:⁵⁵

Mr. Moss. * * * I would assume from your statement that in quoting John Mossler, the AID Director, as you do on page 3 in the second paragraph:

"During 1970 the police continued to improve their capability in traditional police functions. Their timely and positive action effectively contained civil disturbances involving war veterans, students, and religious groups, thereby preventing the spread of violence."

Do you feel that in fact police in this instance have been engaged in suppression beyond merely containing civil disturbances?

Mr. LUCE. Yes. I think that they have used the police for political control, you know, for political reasons. They have used the police against the religious leaders who were advocating peace and against the war veterans who were asking for better housing and better service to the war veterans.

Mr. Moss. You seem to have gained some supporting, or at least some support, from Vice President Ky in his—I think a letter that he released yesterday, wherein he criticizes the then government, and characterizes it as being a dictatorship and suppressing the individual liberties and whatnot.

Mr. LUCE. I think he said this about 2 or 3 weeks ago, which resulted in 14 Saigon newspapers being confiscated.

Another witness, Mr. Theodore Jacqueney, a former AID employee who until recently had been assigned to the CORDS program in South Vietnam, told the subcommittee:⁵⁶

I wrote in my political report of the June 1970, Danang City Council election, that "arrest without warrant or reason"

⁵⁵ Ibid., p. 111.

⁵⁶ Ibid., pp. 251-252.

was a major local complaint by the people of Danang. I have personally witnessed poor urban people literally quaking with fear when I questioned them about the activity of the secret police in the past election campaign. One poor fisherman in Danang, animated and talkative in complaining about economic conditions, clammed up in near terror when queried about the police, responding that he "must think about his family." After many personal interviews in Vietnam on this subject, I came to the conclusion that no single entity, including the feared and hated Vietcong, is more feared or more hated than the South Vietnamese secret police.

He further stated: ⁵⁷

In every province in Vietnam there is a province interrogation center—a PIC—with a reputation for using torture to interrogate people accused of Vietcong affiliations. These PIC's have a CIA counterpart relationship, and in some cases also have a relationship with the AID police adviser. Not in all cases, however—last year the senior AID police adviser of the Danang City Advisory Group told me he refused, after one visit, to ever set foot in a PIC again, because "war crimes are going on in there."

Ambassador Colby provided additional information about the U.S. relationship to the Province interrogation centers: ⁵⁸

Mr. McCloskey. Mr. Ambassador, I have a document in front of me indicating that interrogation statements or confessions are admissible and used extensively in An Tri hearings. Is that correct?

Ambassador COLBY. Yes. Quite frankly, Mr. Congressman, they used to be used exclusively, which was one of the major problems. They are not used exclusively any more.

Mr. McCloskey. That also appears in the document, the American advisers to the Phoenix program should try to require a quantum of proof, other than by confession and interrogation. That brings me to the real problem that I saw personally with the Phoenix program when I was there. If the evidence is insufficient to convict a man, and also insufficient to show a reasonable probability that he may be a threat to security, then he may still be sent to the Province interrogation center. When I first met with the American personnel in Saigon, I understood that these secret prisons were under the control of the CORDS personnel. As you went out to the field, however, we found the Province interrogation centers were not operated by CORDS: is that correct?

Ambassador COLBY. The Province interrogation centers are actually operated by the special branch of the National Police. They are advised by another element of our mission there. I feel that any actions there are probably coordinated with CORDS. I feel a certain responsibility for that as well.

⁵⁷ Ibid., p. 252.

⁵⁸ Ibid., pp. 196-197. The "An Tri" or "emergency detention" procedure under South Vietnamese law was described by Ambassador Colby on p. 183 of the hearings.

Mr. McCloskey. As a deputy to CORDS, you do have personal responsibility over the operation of these Province interrogation centers, do you not?

Ambassador COLBY. I have a feeling of responsibility. I do not know what the fine lines of the organizational diagrams might be but I feel responsibility for everything to do with this program.

Mr. McCloskey. Who built the Province interrogation centers? Were they American contractors?

Ambassador COLBY. I do not believe so. I am not quite sure of that.

(The information follows:)

PROVINCE INTERROGATION CENTERS

These centers were built by local Vietnamese contractors funded directly by the United States.

Mr. McCloskey. Mr. Ambassador, it is correct, is it not, that after a dossier is prepared in the district and the evidence is insufficient to satisfy the Province security council, the prosecutor does have the privilege of sending the detainee, the suspect, to the Province interrogation center? And further, under the rules he may be kept for up to 46 days to see if additional information or confessions can be extracted which will be sufficient to establish the reasonable probability that he is a Vietcong Infrastructure; is that not correct?

Ambassador COLBY. I think your sequence is a little wrong, Mr. Congressman. When he is arrested and initially screened, if they feel that there is something that warrants his further detention but they do not have the adequate figures or information themselves, they can send him there. The 46 days was a time limit established between arrest and final action by the Province security committee, which quite frankly used to be a bit more than that. It was established as a maximum limit. As I understand it, I think it is 30 days for the preparation of the dossier, which includes the interrogation.

Additional critical allegations concerning the operation of the interrogation and penal systems by the Government of South Vietnam were contained in a letter to President Nixon dated April 12, 1971, and signed by two Saigon citizens, Mr. Nguyen Thi Binh and Mr. Huynh Thi Hoa, representatives of relatives of prisoners in South Vietnam.⁵⁹

Political Prisoners

Wide variations in the estimates of the actual number of "political prisoners" incarcerated by the South Vietnamese were presented by witnesses appearing before the subcommittee. But it is quite clear that no accurate statistic can be applied to the actual number of "political prisoners" presently incarcerated by the Government of South Vietnam, nor is there any clear definition of the term. The following

⁵⁹ For full text of letter see hearings, pp. 121-122.

colloquy took place between Representative Reid and witness Don Luce.⁶⁰

Mr. REID. Would you care to estimate the number of political prisoners in Vietnam? And, by that, I would like you to give me the relatively low figure, not those that are necessarily Communists, but those that are neutralists and are genuinely political prisoners.

And how many of them would you guess are at Con Son?

Mr. LUCE. If I can answer that first, the total number of prisoners at Con Son is approximately 10,000.

The Government figures state that about 70 percent of these people at Con Son are political prisoners, or as they call them Communist criminals.

When I was at Con Son with Congressmen Anderson and Hawkins, we talked with many of these people. I did not see any indication that they were Communists, and no evidence was provided.

The two people that I remember specifically who were criminal prisoners were murderers.

Mr. REID. How many political prisoners are there, do you think?

Mr. LUCE. In total, at least 100,000.

Representative Reid subsequently questioned another witness, Mr. Theodore Jacqueney, on this same point:⁶¹

Mr. REID. Let me return, Mr. Jacqueney, to your recommendations at the end of your testimony. You called for a congressional investigation of JUSPAO and press freedoms in Vietnam, the whole question of political prisoners and exiles, and the question of whether there is the slightest chance of having elections that are not a total fraud and completely rigged.

On the second of those points could you give me your estimate—and I appreciate it is an estimate that no one can answer precisely—as to how many political prisoners there are in South Vietnam and how many of them, in your judgment are, in fact, political as distinct from actual Communists? In other words, how many are prisoners who have espoused an end to the war or who have supported neutralism, who have believed in a broader based government, newspapermen who believed in a free press, individuals who fundamentally stood up for certain basic rights or fought corruption or done some of the things they should have done in a free society and for that privilege have been jailed by a corrupt government?

Mr. JACQUENEY. Sir, I have heard figures that range anywhere from 20,000 to 100,000. I frankly don't know how credible one figure is or how credible another figure is. The figures I do know something about involve widespread judgments made in Vietnam that when General Minh overthrew Presi-

⁶⁰ Ibid., p. 105.

⁶¹ Ibid., p. 275.

dent Diem in 1963 he released something like 75,000 political prisoners. It said that when President Thieu was inaugurated after the election of 1967 that he released from jail some 6,000 minor political prisoners.

But in testimony before the House Foreign Affairs Committee, Assistant AID Administrator for Vietnam Robert H. Nooter put the figure at three, based on information furnished by the GVN, in this statement submitted to that committee on May 6, 1971:⁶²

POLITICAL PRISONERS IN VIETNAM

The total number of inmates of civilian correctional institutions and facilities in Vietnam is approximately 29,500. The Government of Vietnam classifies these prisoners as "common criminals," and military personnel convicted of offenses. There now are approximately 18,500 in the "Communist criminal" category. Those prisoners in this category are detained under laws which make it illegal to belong to or support Communist organizations or to aid or support the enemy forces in the war. Although persons are not imprisoned for legitimate, constitutional political activity or affiliations, there are a small number (currently three) whom Government of Vietnam spokesmen in public statements have described as political prisoners.

Classified documents from the CORDS Public Safety Directorate describing prison population, conditions, medical care, and other similar information on Government of Vietnam correction center policies frequently use "political prisoners" as one of the categories of inmate. These documents are in the subcommittee's files.

Thompson Study

At the subcommittee hearings, the report that the National Security Council contracted with Sir Robert Thompson, a British anti-guerrilla expert, for an AID-financed \$100,000 study of the Government of South Vietnam's policy security requirements was examined in this colloquy with AID witness Nooter:⁶³

Mr. MOORHEAD. Will you describe for us the role of Sir Robert Thompson in our Vietnam operations?

Mr. NOOTER. I can only speak to a portion of that. He has served from time to time as a consultant or as an adviser. More recently, earlier this year, the U.S. people in the field suggested that a visit by him might be useful to review the public safety program, and some of his police associates from Great Britain did go out and consult with and advise both the Vietnamese Government and our own people on public safety activities.

Mr. MOORHEAD. Are you familiar with the 157 recommendations that Sir Robert Thompson recently made through our officials to the Saigon government, particularly with respect to the National Police?

⁶² Hearings, Foreign Assistance Act of 1971, House Foreign Affairs Committee, pt. 1, p. 248.

⁶³ Hearings, pp. 37-38. See also Ambassador Colby's reference to the results of the Thompson study at p. 200 of the hearings.

Mr. NOOTER. Yes, sir; I am. We reviewed that report with him when he returned, which included those recommendations.

Mr. MOORHEAD. Was the increase in the police force one of his recommendations, or was the increase a result of his recommendations?

Mr. NOOTER. No, sir, the increase in the force had already taken place when his group went out there. As I recall, his report suggested that the increase to the 122,000 was somewhat more than needed and suggested that further recruitment slow down or stop.

This recommendation was not well substantiated in terms of details, but the Vietnamese did at that point hold up recruitment until they had a chance to review the report further.

To the best of my knowledge, that is the state now. They had reached some 118,000 at that time which is about the level now.

Mr. MOORHEAD. Can you supply a copy of those recommendations for our record?

Mr. NOOTER. I will see if I can obtain clearance to do that, yes, sir.

Mr. MOORHEAD. Mr. Nooter, who has the report, and to whom do you have to go for clearance?

Mr. NOOTER. The report was actually done under the auspices of the National Security Council for the Government of Vietnam.

Mr. MOORHEAD. Is it acted on by AID?

Mr. NOOTER. We of course had access to the report and took it into account. We agreed, our technical people and the Public Safety Board, with a large percentage of these recommendations. In a few cases they disagreed, but nevertheless we did have access to the report for our use.

(A copy of the Thompson study recommendations was not made available to the subcommittee, as had been requested.)

VII. PACIFICATION—CORDS PROGRAM

Background

The "pacification" program of the Government of South Vietnam, according to 1971 testimony by Ambassador William E. Colby, outgoing director of the civil operations and rural development support program (CORDS), had this overall objective: ⁶⁴

* * * the basic aim of the pacification effort has been to form a new political base for the Government of Vietnam in the Vietnamese people and their local communities, replacing the traditional focus of authority in the palace, the military command and the French-trained bureaucrats.

The South Vietnamese pacification program is an outgrowth of a number of individual programs and experiments that attempted to gear the Government of South Vietnam efforts to combat the new type of war being waged by the Vietcong and the North Vietnamese, called by the Communists a people's war. It was characterized by a concentration of Communist military, economic, and subversive pressures on the weak points at which the Government made contact with the population, breaking this relationship wherever possible and building a force of its own in the countryside to actively contest the power and authority of the Saigon government.

Early Government of South Vietnam attempts at pacification-type programs were marked by a lack of coordination among the various governmental bureaucracies that made difficult the degree of integration of military and civil programs necessary to conduct a workable strategy to counter the "people's war" being waged from the North.⁶⁵ The United States, recognizing this lack of effective coordination, established the Office of Civil Operations in the U.S. mission in December 1966, to bring all U.S. civil agency programs under a single operational direction. Mr. Robert Komer, a former member of the National Security Council, had previously been sent to Saigon, in the spring of 1966 by President Johnson to take charge of the planned reconstruction program and other civil operations in South Vietnam. In May 1967, Komer was named to head up a combined civil and paramilitary "pacification" program coordination organization known as CORDS, which was placed under the overall authority of the Commander, U.S. Military Assistance Command, Vietnam (MACV).⁶⁶ Ambassador

⁶⁴ Ibid., p. 178.

⁶⁵ For general background description of the CORDS program, see testimony by Mr. Oye Stovall, Director, International Division, General Accounting Office, hearings, pp. 123-173, and by Ambassador Colby, CORDS Director, in the same hearings, pp. 176-242. At the request of the subcommittee, GAO had undertaken a comprehensive study of the CORDS program. That study is classified, but Mr. Stovall's testimony is based on unclassified data contained in the study. On July 18, 1972, GAO issued an unclassified report (B-159451) entitled "Suggestions for Changes in U.S. Funding and Management of Pacification and Development Programs in Vietnam."

⁶⁶ For additional background, see article by former CORDS Director Komer entitled "Impact of Pacification on Insurgency in South Vietnam," *Journal of International Affairs*, vol. XXV, 1971, No. 1; the article is reprinted at pp. 290-311 in the same hearings.

Komer was succeeded by Ambassador Colby as head of the CORDS program in February 1969. Colby served in that position until June 30, 1971, when he was succeeded by his deputy, George D. Jacobson, who was then named acting chief of CORDS.

In describing the unique role which CORDS plays in Vietnam, Ambassador Colby testified:⁶⁷

A program to fight a people's war must be carried out by the Vietnamese people and its Government. Thus, CORDS does not really have a program of its own, but rather supports a Vietnamese program * * * The function of U.S. advice and support was to initiate and support a Vietnamese effort which can be taken up and maintained by the Vietnamese alone. The CORDS program has thus been engaged in Vietnamization as an essential element of its nature.

Following the formation of CORDS in May 1967, a new concentration in support of "pacification" was initiated by the Government of South Vietnam. These new activities were temporarily diverted as a result of the Communist Tet offensive in February 1968. But Tet served to accelerate the Government of South Vietnam's efforts to press for a more complete integration of the pacification program "behind the shield of the regular military forces." The Government of South Vietnam launched a 3-month national "accelerated pacification program" in November 1968, which carried the initiative in the contest with the North Vietnamese and the Vietcong for the first time since the beginning of the war. This program was followed in 1969 by an expanded program called pacification and reconstruction and a 1970 program called pacification and development. The current plan is entitled "community defense and local development."⁶⁸

According to Ambassador Colby's testimony, the "foundation of the entire program has been to engage the active participation of the (South Vietnamese) people in their own defense, local government, and development." The 1968 and 1969 programs were directed toward the reestablishment of local territorial security in a gradually expanding number of hamlets and villages. Additional attention was then focused on the reestablishment of local government through village and hamlet elections and the reconstruction of roads, schools, and other local services. This stage was followed by the initiation of local economic development and the reinforcement of community defense.

The annual Government of South Vietnam pacification programs have also been designed to strengthen the local communities and to decentralize government power to them. Other stated objectives of the programs have been to provide permanent protection to villagers against local guerrilla or terrorist activities as well as against more concentrated attacks from North Vietnamese or Vietcong troops. Government of South Vietnam efforts have also been made to assist in the selection of local village leadership, to foster development plans that reflect local needs and desires, to provide assistance for resettlement or repatriation of refugees and other war victims, and to assist in implementation of the land reform program.⁶⁹

⁶⁷ Hearings, p. 177.

⁶⁸ For details of these annual pacification programs, see hearings, pp. 128 and 177.

⁶⁹ Ibid., p. 178.

Much of the effort to achieve the primary objective of local security has involved a variety of military and paramilitary program components. These have included the People's Self-Defense Force, an unpaid militia of over 1 million men that has been organized to help defend the local villages and hamlets. Over 500,000 weapons have been supplied to their force. Regional and popular force companies and platoons were increased to their present level of some 550,000 men armed with M-16 rifles and trained by five-man U.S. mobile training teams. The National Police Force was increased and trained and subsequently deployed to local villages to strengthen civil law and order. The so-called Phoenix program was developed to combat the VCI and other terrorist activities of the enemy.

An adjunct of the Government of South Vietnam pacification program is the people's information program (PIP), which publicizes the overall pacification effort and seeks to develop community solidarity in the provinces as part of a national unification of the South Vietnamese people.

The Joint U.S. Public Affairs Office (JUSPAO), an arm of the U.S. Information Agency, works with the Government of South Vietnam Ministry of Information to implement the PIP and also works with the Ministry of Chieu Hoi in propaganda efforts to induce Vietcong to defect to the Government of South Vietnam. The term "Chieu Hoi" means "a call to return."

Fieldwork in both these fields of communication and propaganda is coordinated through Government of South Vietnam counterparts with personnel from the CORDS Chieu Hoi Directorate and the JUSPAO office assigned to CORDS.

An accurate evaluation of CORDS role in the Government of South Vietnam pacification effort is difficult to make—as difficult as an assessment of the degree of success of the overall series of pacification programs undertaken by the Saigon government.

Ambassador Colby summarized as follows:⁷⁰

I do not pretend that this program is in full-blown existence in every corner of the country. One of the characteristics of the Vietnamese scene and the people's war is the variation between areas and between programs, in great part dependent upon the quality of individual leaders on both sides of the contest. Thus, there are a few parts of Vietnam still in effect engaged in the 1969 program outlined above; there are other parts which are well along the 1971 program and crowding the concepts for 1972. In some places the population does not participate as designed, but is bossed by an overbearing local chieftain. In some areas, the bureaucrat has not relinquished the centralized power to the degree contemplated in the plans. Nonetheless, the overall picture is clearly one of momentum in the direction initiated in November 1968. The leaders of the Government of Vietnam are well aware of local program weaknesses and they are constantly pressing to overcome individual failures to implement the plan. Most significant perhaps is that the Communist leadership has called for new efforts and tactics to contest this program, seeing in it a major threat to their hope of conquest in Vietnam. In some

⁷⁰ Ibid., pp. 178-179.

areas, or on some occasions, they have had successes. But in the overall balance, the momentum is still on the side of the Government of Vietnam.

The Government of South Vietnam's Central Pacification and Development Council is responsible for planning, coordinating, and executing the annual pacification plans. The chairman of the council is President Thieu. It is composed of representatives from all Government of South Vietnam ministries and agencies which participate in the plan and has the authority to issue pacification and development guidance to all other Government agencies, including the military's joint general staff. Similar councils also operate the regional and province levels.

CORDS operates through various advisory, support, and inspection functions at all levels of the Government of South Vietnam—in Saigon, in regions, provinces, districts, and down to the village. CORDS planning staff deals with the GVN Pacification and Development Council and provides advice, liaison, and support to various Government ministries involved in the overall pacification program. CORDS staff personnel also operate in each of the four regions and maintain teams in each of the 41 provinces, where a province senior adviser deals with the Vietnamese province chief.⁷¹

About half of these CORDS senior advisers are military officers, while the other half are civilian AID or Foreign Service officers. Other CORDS teams often operate at the district level and occasionally as mobile units to assist in village security planning.

CORDS Structure and Funding

The funding of the CORDS program is unique. Congress does not appropriate funds directly in a package or one bill to finance the United States role in the Government of South Vietnam pacification program. CORDS funds, like its personnel, come from the agencies contributing to the integrated program. Individual component parts of the overall pacification program are funded through the Department of Defense and AID budgets. Precise costs of the pacification programs are thus almost impossible to determine.

GAO witness Stovall described the CORDS organizational structure as follows:⁷²

The Commander, U.S. Military Assistance Command, has overall responsibility for U.S. pacification and development assistance and he administers the program through his deputy for CORDS, Chief of Staff, and the Assistant Chief of Staff for CORDS.

At the Saigon level, CORDS has 11 directorates which advise the Government of Vietnam's ministries and perform the staff and administrative functions. These directorates are under the control of the Assistant Chief of Staff for CORDS and are manned by both military personnel and civilians. CORDS field personnel are under the direct control of the deputy for CORDS. The organization in the field is similar

⁷¹ Ibid., p. 179.

⁷² Ibid., p. 120.

to the CORDS Saigon in that each of the four military regions has staff advisers organized along the same functional lines as the Saigon directorates.

CORDS had about 13,300 personnel in July 1, 1970. The staffs were composed of U.S. military and civilian personnel; local national employees of Vietnam; and third country nationals from such countries as the Philippines and Korea. Over 80 percent of the assigned personnel as of July 1, 1970, were assigned to field activities outside of Saigon.

As to funding of the program, he added: ⁷⁸

When CORDS was established it was decided that it for the most part would receive services, supplies, and needed material directly from its supporting organizations. Accordingly, it did not establish any central accounting or budget or funds control mechanisms of its own. It drew directly as needed upon its supporting organizations, principally the U.S. military services, and used their employees including military personnel to carry out its activities.

In late 1970, the Saigon headquarters of the Agency for International Development and the Joint U.S. Public Affairs Office still operated independently of CORDS for programs not related to pacification, but their field staffs, that is, outside of Saigon, fall under CORDS for all assistance programs. Since the bulk of the resources for participation support were and continue to be provided by the military, the Commander, U.S. Military Assistance Command, Vietnam, was charged with the leadership of the program under the overall authority of the Ambassador.

The combined financing of the CORDS program for the 3 years 1968 through 1970 totaled about \$4 billion. The United States budgeted approximately \$2.1 billion, the Government of Vietnam budgeted the equivalent of about \$1.6 billion, and the equivalent of about \$300 million was made available from U.S. owned or controlled local currency (piasters) accounts. This local currency was generated under other U.S.-financed assistance programs.

Approximately \$3.2 billion or 80 percent of these funds were budgeted for territorial security or related military programs. Other uses for which the funds were budgeted were establishment of local governments, \$328 million or 8 percent; brighter life for war victims or refugee programs, \$141 million or 4 percent; general support, \$202 million or 5 percent (general support involves such things as CORDS technical support, personnel support, and Air America). Funds in lesser amounts amounting in each case to 1 percent or less of the total were budgeted for People's Self-Defense Force; prosperity for all or civic action; greater national unity or Chieu Hoi; protection from terrorism or Phoenix; and people's information program.

Under the present CORDS organization the 11 individual directorates, to the extent that they desire it, must obtain their

⁷⁸ Ibid.

financial information from the agencies (that is, the military services, AID, and CIA) which support their programs.

This is a time-consuming task for them and in some cases is avoided. During our survey, we received incorrect and conflicting figures from the CORDS directorates. We also found that some of the responsible officials in the directorates were unaware of the amount obligated under their programs, and in some cases did not know the amounts in their budgets. In discussing these matters in Saigon our staff suggested to officials there that procedures for central management and control of budgets and obligation data were needed, as well as procedures for obtaining obligation data input on a regular basis from the contributing agencies. At the conclusion of our survey, CORDS informed us that steps were in process to receive and record financial data on a regular basis.

I don't know, Mr. Chairman, how far this has progressed. This was based on work last fall. We are going to follow it through. I don't know what specifically is developing. But this was a local effort. This was not a department effort.

For 1971, the pacification program cost an estimated \$700 million in direct U.S. funds, approximately \$91.6 million additional in U.S. generated counterpart funds and approximately \$612 million from the Government of Vietnam budget.⁷⁴ It should be noted also that the United States underwrites more than 80 percent of the annual Government of Vietnam budget.

The salaries of the approximately 13,300 CORDS employees were included in the cost figures of the pacification program. For 1971, about 4,900 U.S. military personnel and 800 USAID and State Department personnel are included. The remainder of CORDS total personnel strength is made up of South Vietnamese citizens and third country nationals.⁷⁵

In testimony presented to the subcommittee by a GAO witness, based on the classified GAO study of the U.S. role in the pacification program during the July 1967 to September 1970 period, it was noted that in 1969 CORDS had given four separate sets of financial statements on its operations. Each set contained significantly different amounts:⁷⁶

Mr. Moss. It says during your surveys, you received incorrect and conflicting figures from CORDS directorates. Is that about eight direct reports or how many?

Mr. Duff. Eleven.

Mr. Moss. Eleven.

Do you have that list in this report, the 11 directorates of CORDS?

Mr. Duff. Yes, sir.

Mr. Moss. Are those conflicting figures identified in the report?

Mr. Duff. I think we have one schedule in there showing the differences.

⁷⁴ Ibid., table (annex II), p. 182.

⁷⁵ Ibid., p. 129; table (annex I), p. 181.

⁷⁶ Ibid., pp. 159-160. See footnote 65 for reference to study.

Mr. STOVALL. There is a table on page 142 of the big document that shows relative differences of figures. The problem, of course, arises from the fact that there is no firm responsibility, and in some cases, the directorate goes out and tries to get information. In other cases, they don't exert as much energy. They do arrive at totals as we showed in here.

For example, and I think I would be safe on reading the totals here, that for 1969, a set of figures submitted to the Senate Foreign Relations Committee totaled \$1.335 billion; a set of figures that we asked for and got at that time, totaled \$1.354 billion; a set that was prepared for National Security Council added up to \$1.368 billion; and our staff in Saigon as a part of our work there tried to take all those and bring them into one set as best they could as to what they thought was a set of figures for fiscal 1969, and they came up with \$1.362 billion.

I would like to emphasize again, I would not put full faith in any of these figures.

Mr. Moss. I quite agree. But even if we concede the very sloppy accounting and the lack of accounting in the CORDS operation, the DOD should be able to give us the details of what they made available to CORDS, shouldn't they?

Mr. STOVALL. They should.

Mr. Moss. And AID should certainly be able to give us the details.

Mr. STOVALL. We were able to find a trail insofar as the AID figures.

Mr. Moss. The problem is with DOD.

Mr. STOVALL. Yes, sir.

Mr. Moss. While we are doing this, back on my underlying theme here, what is there in these figures, as they break down into their various parts, that could adversely affect the security of the United States in your judgment?

Mr. STOVALL. I don't see anything.

Mr. Moss. It might be embarrassing to the agencies or departments mentioned in the revealing of facts of discrepancies between figures, but certainly it could not bear upon the security of the Nation, could it?

Mr. STOVALL. I don't see how it could.

The classified GAO study, while not a formal audit report, indicated that CORDS financial records were so confused that \$1.7 billion of the \$2.1 billion authorized for the pacification program could not be accurately traced without a complete field investigation. In explanation, GAO witness Stovall told the subcommittee: ⁷⁷

Recently articles appearing in the press since July 10, 1971, conveyed an implication that our survey of the pacification program has disclosed that \$1.7 billion of the funds available for that program were lost. This was a misinterpretation of statements contained in our survey document. On page 137 of that document we said:

⁷⁷ Ibid., pp. 132-133. The text of a Defense Department statement concerning obligational records for the \$1.7 billion is contained in the hearings at pp. 134-135.

"We were unable to obtain obligations for \$1.7 billion of the \$2.1 billion budget shown above. The largest part of this, about \$1.3 billion, was budgeted to provide military hardware and other commodities to the regional and popular forces under the military assistance service funded program. Because this program also provides commodities to other Vietnamese military organizations and records segregating deliveries to the regional and popular forces are not maintained, we were unable to obtain obligations."

The point we were developing in our survey was the fact that the overall operational costs for the various programs administered by CORDS are not available at CORDS nor to the best of our knowledge anywhere else. In other words, we are concerned that the absence of adequate fiscal control over the operating programs of CORDS is a serious weakness which could permit the misappropriation of equipment, materials, and supplies without alerting management in a timely manner.

We did not intend for our statement to infer in any way that we believed \$1.7 billion of funds were lost. It is our belief, however, that in the absence of adequate financial controls at CORDS it would be very difficult if not impossible to accurately reconstruct the value of and disposition of equipment, supplies, and services that have been furnished by the United States for the operating programs of CORDS.

Ambassador Colby was also questioned about the General Accounting Office study of CORDS financing: ⁷⁸

Mr. MOORHEAD. Mr. Ambassador, one final line of questioning. This has to do with accounting.

As you know, the jurisdiction of this subcommittee is as to efficiency and economy of Government operations.

I am sure you are familiar with the General Accounting Office report. It says, among other things, that CORDS maintains incomplete financial records. It says certain problems could be avoided "If CORDS had established procedures for central management and control of budgets and obligation data."

It says, "We learned during a survey that internal audits and inspections had generally not been conducted. Of the 12 audit groups authorized to inspect CORDS' operations, only two had done so since 1967."

Then it points out it is very difficult to check on the efficiency and economy of the Government because "CORDS frequently commingles the funds of two or more agencies." And so forth. I might say that the pages I have read from are unclassified pages in a secret document.

Mr. Ambassador, I understand when CORDS was first established, there was an emergency situation. I am inclined to think it was a good thing to unite various funds and personnel into one operating agency. But isn't it possible now to establish central accounting management so that the Congress—and the General Accounting Office, as an arm of

⁷⁸ Ibid., pp. 203-204.

Congress—can make internal audits so that we can be sure where the dollars and resources have been expended that they were properly applied, and are being utilized with a minimum of waste involved in a program the size of CORDS?

Ambassador COLBY. I agree with you, Mr. Chairman.

The team from the General Accounting Office that was out there last year, that made that report, had that as one of the main points they made to me when they left. They had a very difficult time putting the figures together.

My point, of course, is that we were in the middle of a war-time effort and we, frankly, had our main focus on doing the job and less on accounting for a considerable period.

I fully agreed that it was time to tighten up and get the thing organized so people could understand it better and understand the various contributions. We moved along on that.

We have, I think, some figures that are much better today than they were when that team was there. I would not say they are entirely perfect yet, but we are in the course of developing exactly that kind of figure that should give the Congress a proper view.

I fully agree that it is needed at this stage.

Mr. MOORHEAD. Those figures now, with qualifications, are they in such form that they could be presented to us?

Ambassador COLBY. I have a copy of them here, Mr. Chairman, and I will be glad to leave it for the record. They are still somewhat tentative, but I can leave them for the committee to look at.

Mr. MOORHEAD. Are they classified?

Ambassador COLBY. They are unclassified. They are the work of our people in the field.

As you know, sometimes the field figures don't entirely match with the Washington figures, because of other factors put into them.

I hasten to say that this figure is not necessarily absolutely correct. These figures are still subject to modification, but I think they give a rough idea.

These detailed program costs of CORDS were subsequently provided to the subcommittee in a form requested in a written question to Ambassador Colby:⁷⁹

Question 1. Mr. Ambassador, by percentage and total dollar amount, how much of the pacification program has been financed—directly or indirectly—by the United States? In your answer, I wish you also would incorporate that part of the Vietnamese budget financed by revenues which stem from the U.S. presence in Vietnam, excluding deficit financing, of course.

Answer. In annex II of my opening statement, I attempted to show the reply to this question, supplemented by the report submitted at page 740, line 16. As indicated in my remarks on pages 740 and 741, these figures do not reflect

⁷⁹ Ibid., pp. 223-224.

Washington level considerations and some degree of interpretation was required in deciding just which expenditures to include in the "pacification program" on both the Vietnamese and U.S. sides. Taking the totals of annex II and using a constant rate of exchange of 118 to 1 (despite some artificiality involved), the information desired is as follows:

ESTIMATED PACIFICATION BUDGETS (DOD, AID, GVN)

GVN (piasters-billions)								
Year	United States		United States support (CIP, etc.)	Estimate GVN revenue from imports (using United States from piaster purchases)	Estimate GVN domestic revenue and deficit financing	Total (millions)	Percent United States (exchange rate at 118-1)	
	Direct United States dollars (millions)	Counter part piasters (billions)					Direct	Indirect
1968	523.8	10.2	11.6	11.4	27.1	\$1,031.0	51	78
1969	647.4	11.9	17.4	20.4	27.1	1,298.2	50	82
1970	729.0	12.2	18.9	22.8	32.2	1,441.7	51	82
1971	696.2	10.8	21.3	21.9	29.0	1,393.6	50	82

The committee makes special reference to the concluding summary of the GAO study of 'CORDS' organizational and financial structure because of its obvious relevance to the economic and efficient operations of the program in carrying out its stated objectives. Mr. Stovall told the subcommittee:⁸⁰

We believe that it is now the time for a fuller reassessment of the military and AID financing arrangements, not only in Saigon but also at the unified command and department levels. We believe this is needed to clarify fiscal responsibility, and to overcome the lack of adequate central financial records in CORDS. What may have been most expedient under the the earlier circumstances should, in our view, be fully reconsidered now in the light of the changing conditions and the prospective shift toward economic and rehabilitation efforts.

In this regard we would like to express caution about the degree of reliability of any presently available overall documents or reports which may purport to contain completely reliable figures on program costs associated with the operations. We have seen several differing sets of figures as indicated on page 142 of our classified document. This further supports a conclusion that the system of financial accountability and financial reports on 'CORDS' operation needs to be reassessed and tightened.

In his concluding statement, Stovall summarized as follows:⁸¹

To summarize, we believe that the main elements and related questions pointed up by our survey are:

1. 'CORDS', as the organization responsible for administering the U.S. pacification in Vietnam, has not been given responsibility for financial stewardship and accountability for the costs of the programs it administers.

⁸⁰ Ibid., p. 130.

⁸¹ Ibid., p. 133.

We believe that CORDS or any other U.S. organization responsible for managing a foreign assistance program, should not be exempted from the integral and very important part of that responsibility that relates to financial stewardship and accountability.

2. The military financial budgeting and accounting system does not provide information as to the portion of the material supplied from the U.S. military pipelines into the CORDS program.

We believe the system should be modified to provide such information.

3. The present system results in a blurred distinction of accountability between the respective U.S. military services, the free world military forces, the Vietnamese Armed Forces, and CORDS.

We believe that consideration should be given to the more fundamental question of whether an operation such as CORDS or any foreign assistance program or CORDS should have adequate financial control relatable to that foreign assistance program.

We expect to look further into the system for financing and controlling the CORDS operation and plan to make reports to the Congress on the results of our work.

Subsequently, the General Accounting Office reiterated the foregoing position in its July 1972 report on the funding and management of the pacification program in South Vietnam.

Executive Refusal of Access to Records

The committee finally notes with concern the inability of the General Accounting Office to obtain access to certain information from the Departments of State and Defense, needed in fulfilling its responsibilities under section 313 of the Budget and Accounting Act of 1921 (31 U.S.C. 53, 54). Testimony detailing such refusals was presented to the Senate Appropriations Committee by GAO during 1970 and was subsequently discussed by GAO witness Stovall before the subcommittee in connection with his testimony on the pacification program.⁸²

Phoenix (Phung Hoang) Program

By far the most controversial of the various components of the pacification program is the Phoenix, or Phung Hoang, program. It was described in testimony before the subcommittee by Ambassador Colby as follows:⁸³

⁸² Ibid., pp. 125-127 for colloquy between Representative Moss and Mr. Stovall; also see pp. 165-169 of hearings. The statement to the Senate Appropriations Committee by Mr. Stovall on access-to-records difficulties appears at p. 165. The committee notes the hearings on "U.S. Government Information Policies and Practices" held by the Foreign Operations and Government Information Subcommittee this session and the subcommittee's intention to further explore repeated executive refusals of requests for information by the GAO.

⁸³ Ibid., pp. 182-183.

The Phoenix program of the Government of South Vietnam is designed to protect the Vietnamese people from terrorism and political, paramilitary, economic and subversive pressure from the Communist clandestine organization in South Vietnam. The Vietcong Infrastructure, or VCI, is the leadership apparatus of the Communist attempt to conquer the Vietnamese people and government. The Vietcong Infrastructure supports the military operations of the Vietcong and North Vietnamese Army units by providing intelligence, recruits or conscripts and logistics support. It also directs and implements a systematic campaign of terrorism against government officials, locally elected leaders and the general population. The result of this terrorism is as follows:

VC TERRORISM

	Incidents	Killed	Wounded	Abducted
1969.....	10,526	6,097	15,074	6,097
1970.....	11,680	5,951	12,588	6,872
1971 (May).....	4,526	2,470	4,701	3,257

The Phoenix program is an integral part of the Vietnamese Government's war effort to bring security to its people since the Vietcong Infrastructure is a key element of the Communist war effort.

The Phoenix program includes an intelligence program to identify the members of the Vietcong Infrastructure, an operational program to apprehend them, a legal program to restrain them and a detention program to confine them.

The Phoenix program assembles intelligence on the Vietcong Infrastructure from all sources. Thus the National Police, the People's Self-Defense Force, the military and the village governments are charged with collaboration to develop a full picture of the Vietcong infrastructure at the various levels. This material is drawn together primarily in district intelligence and operations centers. Special dossiers have been produced to assemble the information in the most usable manner. The Phoenix program at each level is under the direct supervision of the appropriate government official; that is, village chief, district chief, province chief, et cetera. The national Phoenix staff has been made a part of the National Police Command.

Previously classified statistics on the results of Phoenix program operations against the Vietcong Infrastructure were declassified by Ambassador Colby and presented to the subcommittee as follows:⁸⁴

Similar cooperation among all services is required in operations against the Vietcong Infrastructure. Thus the National Police, the regional and popular forces, the People's Self-Defense Force and the Chieu Hoi program conduct joint and independent operations against Vietcong Infrastructure individuals and units as a part of the war effort. Goals have been established over the past several years for the reduction of

⁸⁴ Ibid., p. 183.

Vietcong Infrastructure strength. These goals have been refined in order to focus the action on the higher level and more significant Vietcong Infrastructure. The Phoenix program is not a program of assassination. In the course of normal military operations or police actions to apprehend them, however, Vietcong Infrastructure are killed as members of military units or while fighting off arrest. The Phoenix program has been widely publicized in Vietnam as a program to protect the people against terrorism and participation by local leadership and population has been encouraged. "Wanted" posters have been circulated to enlist public assistance in the apprehension of Vietcong Infrastructure, although the posters point out to the individual that he may rally under the Chieu Hoi program and be free of any punishment. The following figures give the results of the program over the past several years:

PHOENIX OPERATIONS AGAINST VCI

	Captured	Rallied	Killed	Total
1968.....	11, 288	2, 229	2, 559	15, 766
1969.....	8, 515	4, 832	6, 187	19, 534
	Sentenced	Rallied	Killed	Total
1970.....	6, 405	7, 745	8, 191	22, 341
1971 (May).....	2, 770	2, 911	3, 650	9, 331

In his 1971 testimony, Ambassador Colby described the U.S. role in the Phoenix program.⁸⁵

The United States through CORDS has provided advice and assistance to the Phoenix program. This currently includes approximately 637 U.S. military personnel working with the Phoenix centers at the district, province, region, and national levels. It also includes a very few U.S. civilian personnel. Of course, advisors with the military units, the National Police, the Chieu Hoi program, et cetera, advise and assist their respective service in its normal role, which includes support of the Phoenix program.

In his concluding remarks, Ambassador Colby defended the U.S. role in the Phoenix program.⁸⁶

The Phoenix program is an essential element of Vietnam's defense against Vietcong Infrastructure subversion and terrorism. While some unjustifiable abuses have occurred over the years, as they have in many countries, the Vietnamese and U.S. Governments have worked to stop them, and to produce instead professional and intelligent operations which will meet the Vietcong Infrastructure attack with stern justice, with equal stress on both words. Considerable evidence has appeared from enemy documents and from former and even current members of the enemy side that, despite some weak-

⁸⁵ Ibid., p. 184. Policy and responsibilities for all U.S. personnel participating in or supporting Phoenix operations are provided in MACV Directive No. 525-536, dated May 18, 1970. For text of directive, see hearings, p. 238. On September 12, 1972, Col. David E. Farnham, Office of the Assistant Secretary of Defense for International Security Affairs, advised that as of August 28, 1972, only 125 U.S. military personnel remained as advisors to the Phoenix program and it is the Department of Defense's intention to phase out their advisory role to the Phoenix program by December 31, 1972.

⁸⁶ Ibid., p. 184.

ness, the program has reduced the power of the Vietcong Infrastructure and its hopes for conquest over the people of South Vietnam. Phoenix is an essential part of the GVN's defense as the Vietcong Infrastructure is to the Communist attack. U.S. support is fully warranted.

Phoenix Operations

Serious questions are raised about the methods by which Phoenix operates. Specifically, it was developed during the hearings that the use of "quotas" and the "targeting" of Vietcong suspects is often based on faulty intelligence, sometimes supplied by individuals having ulterior motives. Once a suspect has been "targeted" he is subject to being captured or killed. If captured, he may be incarcerated for up to 2 years without benefit of trial. In view of these dire consequences which may befall a VCI suspect, the committee finds particularly disturbing the following testimony of Ambassador Colby on the question of reliability of intelligence.⁸⁷

Mr. REID. * * * (Your) testimony before the Senate is replete with some indications and some explicit reports that at times the district coordinating center or the senior advisors have admitted they have made mistakes or are not certain of their information.

My question is: Are you certain that we know a member of the Vietcong Infrastructure from a loyal member of the South Vietnam citizenry?

Ambassador COLBY. No; Mr. Congressman, I am not.

Mr. REID. The answer to that seems to be no, at least in some cases. Therefore there is the possibility that someone will be captured, sentenced, or killed, who has been improperly placed on a list without adequate verification. If it is inadequate, my question goes back to the first point: Isn't that a reason for making sure that legal proceedings are totally fair?

Ambassador COLBY. I certainly would like to see them improved and we have been working to see them improved. I think they are considerably improved. As I said, I do not think they meet the standards I would like to see applied to Americans today.

* * * * *

Mr. REID. Do you think it is humanly possible, Mr. Ambassador, for the United States through our programs to reliably, beyond the peradventure of reasonable doubt, identify 1,200 or 1,400 suspects a month? Once they are on that list is not that a ticket to possible oblivion for an individual on that list?

Ambassador COLBY. I believe there are steps we can take to insure that the evidence is very, very reliable. I would not say beyond a reasonable doubt because that would get you into a court trial. * * *

But to get back to the point, Mr. Congressman, I think that by our work with a program of this nature we can im-

⁸⁷ Ibid., p. 180.

prove it and bring it into the standards which we can accept. When the blacklists and things like that were originally developed, I agree that they were inaccurate in a substantial number of cases. I think that we have helped to produce forms for dossiers, requirements for proof, more professional intelligence operations which give more reliable information. We have stressed capture and interrogation rather than killing a man when you are out after him, if you possibly can, and I think there are very few cases today that fall below the standards.⁸⁸

* * * * *

Mr. MOORHEAD. The thing that concerns me is that the Phoenix program imposes monthly quotas. I am sure this may eliminate some hard-core Communists, but may it not include the "neutralization" of innocent persons because they refuse to come up with the requested bribe?

Ambassador COLBY. I would say the answer is that it is possible that they be arrested or threatened with arrest unless they pay a bribe. That is a complaint that has been made in the legislature and in the press in Vietnam against individual police or military officials or local officials. That kind of complaint has been made.

I, frankly, think that the procedures that we have gotten prevent very much of that going on to full conviction. I am convinced also that it does not result in their being killed because the kill situation comes from fire fight, and a fighting situation. That is why people get killed. They do not go out to kill them.

Mr. MOORHEAD. But they can be arrested and brought up before—

Ambassador COLBY. But they can be arrested and the bribery and corruption problem can exist.

Mr. MOORHEAD. They can be brought before a tribunal of questionable officers.

Ambassador COLBY. The actions include such things as requiring that the village chief be informed of operations, of arrests taking place within his village, so that he can reflect the local community attitude toward that individual.⁸⁹

* * * * *

Mr. REID. Mr. Ambassador, does CORDS or any other agency keep a record about each individual whom Phoenix has neutralized?

Ambassador COLBY. We have been working with the Vietnamese Government to set up a data processing system, which will put into a single file, all of the people identified as Vietcong Infrastructure, and also give us a set of followup reports on any of them that have been picked up, where they stand in the processing, when they are convicted, how long they are convicted for, where they go to prison, how long they stay there, whether they come out when they are supposed to, and so forth.

⁸⁸ Ibid., pp. 191-192.

⁸⁹ Ibid., pp. 199-200.

Mr. REID. When did this verification start?

Ambassador COLBY. In its full-blown operation, it is just about right now, Mr. Congressman.

The full Vietcong Infrastructure listings we have had now for about a year.

Mr. REID. Of the listings you have had for about a year, what degree of accuracy did you find?

Did you find that the people that had been listed by the Phoenix program were in fact Vietcong Infrastructure, or a large percentage thereof, or did you find that some were not properly identified?

Ambassador COLBY. That you would have to determine at the district center.

Mr. REID. Have you verified anything at the district center?

Ambassador COLBY. We have.

The existence of intelligence reports which would indicate this man has a certain job in the Vietcong Infrastructure—the intelligence report is in the dossier.

Mr. REID. Can you say there is a high degree of accuracy in the initial dossier or report or do you have some concern as to the accuracy?

Ambassador COLBY. I have never been highly satisfied with the accuracies of our intelligence effort on the Vietcong Infrastructure.

Mr. REID. Are we talking about substantial number, say over a thousand, who might have been improperly identified, or are you talking in terms of a hundred or what?

Ambassador COLBY. I would say initially identified, misidentified. I would say that in the past you had larger numbers than that.

Mr. REID. Meaning what, over 5,000?

Ambassador COLBY. I wouldn't like to give you a figure, but I would say that—

Mr. REID. Or 7,000? Is that the implication?

Ambassador COLBY. I frankly don't have a number, Mr. Congressman. When we initially went into this program 3 years ago of helping out with refining the accuracy of it in telling, identifications of people as members of the Vietcong Infrastructure, we found a very imprecise area. We feel that our questions are quite accurate now.

Mr. REID. When did you decide that there was a very imprecise area here?

Ambassador COLBY. When we first got into it. Once we started looking into the original lists and information—

Mr. REID. How long did it stay very imprecise?

Ambassador COLBY. Until we could work up the dossier systems.

Mr. REID. Starting in 1967, when do you think the dossiers were worked up?

Ambassador COLBY. By mid-1969 they began to get a little bit of validity to them.

Mr. REID. So for 2 years, there was very little validity?

Ambassador COLBY. It wasn't until mid-1968 that the program really got started at all.

Mr. REID. Well, we will call it a year and a half.

Ambassador COLBY. Call it a year or so that it was very imprecise.⁹⁰

This lack of preciseness in identifying Vietcong Infrastructure is also illustrated by these responses for the record by Ambassador Colby:⁹¹

Question 5. How does the Phoenix program make absolutely certain that persons eliminated are really Vietcong?

Answer. In a series of directives, the Vietnamese Government Central Phung Hoang Committee has stated the positions in the Vietcong Infrastructure which subject the incumbent to detention; prescribed formats for dossiers to accumulate intelligence and other evidence on individuals; categorized the Vietcong Infrastructure position as A (leaders), B (cadre), or C (followers), with respective detention terms; refined the goals assigned to the Provinces and districts to apply only to A and B category personnel and only to those actually sentenced rather than merely captured; required that operations be coordinated with local village chiefs; called for the publicizing of 100 percent of the Vietcong Infrastructure identified to enlist popular participation and to generate local correction of the information; improved the operations and timeliness of Province security committee proceedings; assigned legal officers of the Ministry of Justice to many (not yet all) Provinces to improve the legal aspects of Province security committee proceedings; carried on training and publicity programs to improve official and public understanding of the real nature of the Vietcong Infrastructure and the best ways to counteract it through professional and responsible intelligence, interrogation, and police techniques; and established an interministerial legal committee working with the Central Pacification and Development Council to conduct a continuing study and coordination of improvement in the legal procedures applicable to the Vietcong Infrastructure. As indicated in my testimony, these have not yet reached a state of absolute certainty that only Vietcong Infrastructure personnel are targeted for apprehension, and further improvements are needed to constitute true due process; nonetheless, the Government of Vietnam has made many substantial improvements in its procedures, thanks to the Phoenix program.

* * * * *

Question 12. Of those individuals "neutralized" since the inception of Phoenix, how many have been identified as members of the Vietcong Infrastructure? Of those killed, how many have been definitely identified?

Answer. The basic objective of the Phoenix program has been and is to identify the individuals concerned as definite

⁹⁰ Ibid., pp. 207-208.

⁹¹ Ibid., pp. 224-225.

members of the Vietcong Infrastructure. The collation of intelligence from all sources and services endeavors to build up an accurate picture of the Vietcong Infrastructure and its leaders and cadres despite the techniques of aliases, clandestinity, and terror utilized by the Vietcong Infrastructure. Thus, any individual sentenced, rallied or killed and recorded in the Phoenix program must be "definitely identified" by name and position in order to be included in Phoenix results. In my testimony, however, I indicated that these identifications were not precise when the Phoenix program started and that one of its objects was indeed to improve their accuracy. Thus, it must be stated that not all cases since the inception of Phoenix in 1967 have been accurately identified "as definite members of the Vietcong Infrastructure," the number of which I am unable to state precisely, but that substantial improvements in the accuracy of these identifications have been and are being made thanks to the Phoenix program.⁹²

Testimony from other witnesses indicates that Ambassador Colby's dissatisfaction is well founded. In some cases, this testimony was based on personal knowledge; in others, it appeared to express an opinion. Theodore Jacquency, a former AID official who had served in South Vietnam in 1970, told the subcommittee: ⁹³

The celebrated Phoenix program is not at all successful in its American purpose of eliminating Vietcong political cadre, but it is widely used to arrest and detain non-Communist dissidents. I can remember, for example, one conversation with two Phoenix advisers in Da Nang, who had come to me for additional information about some Da Nang city councilmen who Phoenix was planning to arrest on what seemed to me to be very questionable knowledge. The plan was scotched—but I am convinced that if I had not been available to spend that afternoon talking to those men, at least one more innocent critic of the Saigon government would have been arrested and abused. Another friend, himself a Phoenix adviser, was ultimately removed from his position when he refused to compile information on individuals who would, he felt, inevitably be "targeted," however weak the evidence might be. While I was serving in Vietnam at least one Province senior adviser, in Thua Thien Province, was suggesting doing away with the Phoenix program altogether. I agree with him.

Michael Uhl, a former U.S. military intelligence officer with the Americal Division, whose unit gathered information which was often later used in Phoenix operations, testified: ⁹⁴

It is not at all unpredictable, given what we have learned from the Pentagon papers, that my operational perspective of military intelligence programs like Phoenix, for example,

⁹² Ibid., p. 226.

⁹³ Ibid., p. 252.

⁹⁴ Ibid., p. 313.

is diametrically opposed to the administrative perspective of former CORDS chief, Ambassador Colby.

For instance, Ambassador Colby gave the impression that Phoenix targeted specific high level Vietcong Infrastructure whose identity had been established by at least three unrelated intelligence sources. In his prepared statement delivered before this committee on July 19, 1971, he cites several interesting statistics. Among these is the number of Vietcong Infrastructure (VCI) successfully targeted and "neutralized" during the period 1968-May 1971. 1970 figures show 22,341 Vietcong Infrastructure "neutralized." Colby thus would have us believe that the vast majority of these people were targeted according to the rules that he outlined.

This capacity on the part of military intelligence groups in Vietnam seems to me greatly exaggerated. A mammoth task such as this would greatly tax even our resourceful FBI, where we have none of the vast cross-cultural problems to contend with.

What types of operations "generate" this supplementary body count then, assuming the figures are accurate? It was my experience that the majority of people classified as Vietcong Infrastructure were "captured" as a result of sweeping tactical operations. In effect, a huge dragnet was cast out in our area of operation (AR) and whatever looked good in the catch, regardless of evidence, was classified as Vietcong Infrastructure.

Uhl went on to tell the subcommittee:⁹⁵

All CD's, because of this command pressure (the majority of our detainees were classified as CD's), were listed as Vietcong Infrastructure. To my knowledge, not one of these people ever freely admitted being a cadre member. And again, contrary to Colby's statement, most of our CD's were women and children. Mr. Colby, in response to a direct question, denied that Americans actually exercised power of arrest over Vietnamese civilians. In Duc Pho, where the 11th Brigade base camp was located, we could arrest and detain at will any Vietnamese civilians we desired, without so much as a whisper of coordination with Army of the Republic of Vietnam or Government of Vietnam authorities. But the impact of this oversight in Ambassador Colby's testimony pales when compared to his general lack of understanding of what is actually going on in the field.

I mentioned above that in order to be listed as Vietcong Infrastructure at least three different intelligence agencies had to target the same individual. Even if this were true, which it wasn't in my experience, the most crucial omission in this progression is not even addressed. That is: what steps are taken to assure that information used to denounce any individual is reliable?

⁹⁵ Ibid., pp. 314-315.

The first MIT employed 11 coded sources. These were indigenous subagents paid to provide us with "hot intel" on the Vietcong personalities and movement in our AR. We had no way of determining the background of these sources, nor their motivation for providing American units with information. No American in the team spoke or understood Vietnamese well enough to independently debrief any "contact." None of us were sufficiently sensitive to nor knowledgeable of the law, the culture, the customs, the history, et cetera.

Our paid sources could easily have been either provocateurs or opportunists with a score to settle. Every information report (IR) we wrote based on our sources' information was classified as (1) unverifiable and (2) usually reliable source. As to the first, it speaks for itself; the second, in most cases was pure rationale for the existence of the program.

The unverified and in fact unverifiable information, nevertheless, was used regularly as input to artillery strikes, harassment and interdiction fire (H&I), B-52 and other air strikes, often on populated areas. We churned out a dozen IR's per week, not because it was good or reliable information, but it was our mission. Furthermore, it was not possible, given the conditions in Vietnam, for a tactical unit to produce reliable and verified intelligence data.

The intelligence contingency fund (ICF), a classified fund, provides payroll and incentives for these essentially useless subagents. Moral, ideological, and political questions aside, literally millions of dollars must be squandered yearly in operations similar to the one I described extemporaneously, all over Vietnam; all over the world.

If one assumes, as I do, that Phoenix is a hoax-- that thousands of Vietnamese are indiscriminately classified as Vietcong-- based on no specific targeting procedure--based on no evidence--then this is just one more colossal example of wasted funds and personnel.

Another witness before the subcommittee, Mr. K. Barton Osborn, who had served in Vietnam as an intelligence operative "agent handler," also testified concerning his working relationship with the Phoenix program. He contradicted previous testimony by Ambassador Colby that while its forerunner programs did involve assassinations, such was no longer the case. Osborn testified:⁹⁶

I was peripheral to the Phoenix program on a casual basis until June of 1970. If anything, they had by all means intensified the kind of indiscriminate illegality we have described here today. Any cleanup that anybody would refer to officially before a committee under oath is a sad distortion, especially considering the fact that we have sworn to tell the truth and the whole truth.

Mr. REM. And your reports as related to Phoenix or information as provided as part of Phoenix would have gone off the chain of command to Ambassador Colby?

⁹⁶ Ibid., p. 351.

Mr. OSBORN. Certainly if Ambassador Colby took the responsibilities as you say, for the full Phoenix program.

Mr. REID. That is what he took.

Mr. OSBORN. Then I would think he, as a matter of confidence, would have the knowledge to be confident on the whole, especially on the wholesale basis that I saw it occur in Vietnam, the indiscriminate basis, and that knowledge was not designedly compartmented from anyone if they would have just gone to the location, been available to be briefed on the particulars.

Mr. REID. When you say "wholesale" I take it you mean during your period there was sufficient assassination so it could be described as immediate neutralization, which was another phrase you used, or assassination on the spot, frequently with no evidence beyond fragmentary rumors, if that, and in some cases after the fact identifications were made on allegedly the CI, who may not have been the CI at all?

Mr. OSBORN. In fact, the intelligence reports we got as summaries were the reports of that kind of standard operating procedures and the provisional reconnaissance units which I described earlier which the CIA called goon squads, unofficially had the primary mission of the assassinations which were euphemized by Ambassador Colby and others as neutralization; yes.

* * * * *

Mr. Osborn also testified to the fate of Vietcong Infrastructure detainees during his Vietnam experience:⁹⁷

Mr. REID. Mr. Osborn, one other question.

The piece in the Sunday paper, the New York Times, entitled: "This Phoenix is a bird of death," next to the last paragraph says: "At high level U.S. insistence an inventory of all those imprisoned under the Phoenix program is being conducted. American officials contend they do not know how many such prisoners they are; whether they are scattered in jails and interrogation centers all over the country. The purpose of the inventory is to weed out the real Vietcong suspects from others who are framed, imprisoned, and whatever."

Do you have any knowledge of the inventory and prior to your departure from Vietnam were there anything representing accurate reports as to where the Vietcong Infrastructure detainees or insurgents are being held?

Mr. OSBORN. No; as I said before, I never knew in the course of all those operations any detainee to live through his interrogation. They all died.

Mr. REID. They all died?

Mr. OSBORN. They all died. There was never any reasonable establishment of the fact that any one of those individuals was, in fact, cooperating with the Vietcong, but they all died and the majority were either tortured to death or things like thrown from helicopters.

⁹⁷ Ibid., p. 357.

Mr. REID. Could some of those have been incarcerated or interrogated for political reasons as General Minh has suggested, that Phoenix has been used politically?

Mr. OSBORN. Very definitely. I would say this: With a program as treacherous as that, with as little control as that, it could be used to whatever ends were indiscriminately applied to it; yes, definitely.

The committee notes that, according to official figures furnished by Ambassador Colby, a total of 20,587 suspected VCI were killed from the beginning of 1968 through May 1971. It is impossible not to wonder how many of those persons were the innocent victims of faulty intelligence. The committee can think of no other U.S.-funded or supported program in which the consequences of inefficient management are so extreme.

Mr. Richard S. Winslow, a former AID employee who served in Binh Duong Province in South Vietnam, presented similar testimony to the subcommittee. He said that "large numbers of the U.S. civilian and military officials in Vietnam laugh at the U.S. Congress. They laugh because, in their words, 'It's so easy to fool the Congress.'" They are referring to a variety of practices, the simplest of which is the changing of a word or phrase instead of the substance of a policy which has come under congressional criticism.⁹⁸

One of the examples of this phraseology change, according to Winslow, was the Phoenix program:⁹⁹

There have been similar changes in the terminology of the Phoenix program, the now well-known United States/South Vietnamese effort to identify and destroy the Vietcong Infrastructure. For instance, a Phoenix adviser explained to me how some Congressmen had complained about the Phoenix program's "blacklist," composed of the names of confirmed and suspected Vietcong in a given area. The critics, it seems, objected to the word "blacklist," feeling that it carried the sinister meaning of being out to get individuals. Therefore, in documents, reports, and most conversations, pacification officials now use the term "special list of Communist offenders." The new name, needless to say, has not prevented Phoenix personnel from "getting" whomever they suspect of being a Vietcong or a Vietcong sympathizer. But, I was told, few Members have complained much lately.

Another CORDS Phoenix adviser enlightened me on the word "neutralization." Previously, he explained, the major goal of Phoenix was the "elimination" of the Vietcong Infrastructure. "Elimination," however, gave the unfortunate impression to some Congressmen and to the interested public that someone was being "eliminated." Now the major goal is "neutralization" of the Vietcong Infrastructure. Of course, the same proportion of Vietcong Infrastructure are being killed in combat, and killed or captured by the mobile teams

⁹⁸ Ibid., p. 244.

⁹⁹ Ibid.

established for that purpose. But Congress seems mollified now that suspected Vietcong are "neutralized," rather than "eliminated."

Legal Proceedings

Questions also rose at the hearings concerning the procedures applied to suspects captured in Phoenix operations. It was noted that under the An Tri law of South Vietnam, a civilian person, including a suspected Vietcong, may be incarcerated for up to 2 years without a trial. Article 19 of the An Tri law (Decree Law 004/66) states:¹⁰⁰

Those persons considered dangerous to the national defense and public security may be interned in a prison or designated area or banished from designated areas for a maximum period of two years, which is renewable. The internment and banishment shall be ordered by Arrete of the Prime Minister issued upon recommendation of the Minister of Interior.

Ambassador Colby outlined the An Tri procedures as follows:¹⁰¹

A Vietcong Infrastructure member is subject to formal trial by military court or to an emergency detention procedure established by Government of Vietnam legislation, analogous to the procedure used in many other countries in times of emergency. This "An Tri" procedure authorizes the detention of an individual after a review of his case by a Province security committee, consisting of the Province chief, the public prosecutor, the chairman or member of the elected Province Council and other local security officials. A variety of improvements in these procedures have been made in the past 3 years to include time limits on preparation of cases, advising elected village leaders of all cases occurring in their village for passage to families, a conditional release or parole system, the assignment of public prosecutors to additional provinces to improve the workings of the Province security committees and closer supervision of the committees. Further improvements are under consideration by the Vietnamese Government.

Representatives Reid and McCloskey questioned Ambassador Colby about the operation of the An Tri law and its relationship with provisions of the Geneva Convention:¹⁰²

Mr. REID. Basically what I am asking is whether you consider the law which permits detention for a period up to 2 years under the An Tri law is on all fours with the Geneva Convention.

Ambassador COLBY. I think it is. It is not what I would frankly prefer and I think the Government is moving toward changing it in that direction. It has not occurred yet and I would quite frankly say that he does not have a hearing today. His case is reviewed and he is interrogated and his case is looked at.

¹⁰⁰ Ibid., p. 99.

¹⁰¹ Ibid., p. 183.

¹⁰² Ibid., p. 189; pp. 193-194.

Mr. REID. Does he have any right to counsel?

Ambassador COLBY. No, not under the present situation.

Mr. REID. Then is it not a kangaroo trial?

Ambassador COLBY. It is an administrative proceeding, not a trial.

Mr. REID. Whether it is called a trial or an administrative proceeding, is that important in international law? There might be some concepts under which we would relate it to due process.

Ambassador COLBY. I think there are two different things. I think it probably meets the technicalities of international law but it certainly does not meet our concepts of due process.

Mr. REID. Does it meet the spirit of international law?

Ambassador COLBY. I think as it has gradually improved it does. I think it did not some time ago and I do not think it entirely meets it yet.

Mr. REID. Would his rights be protected?

Ambassador COLBY. Not adequately under our concept of due process.

* * * * *

Mr. McCLOSKEY. If I touch on anything in my questions that requires classification, will you call it to our attention so that we may make appropriate arrangements for protection. I want to quote first from article 3 of the Geneva Convention of 1949, Mr. Ambassador, "In the case of armed conflict occurring in the territory of one of the parties, the following acts shall be prohibited. The passing of sentences and the carrying out of executions without previous judgment pronounced by a regularly constituted court, affording all the judicial guarantees which are recognized as indispensable by civilized people." In that connection, no court ever sits for those accused of being members of the VCI, does it?

Ambassador COLBY. Occasionally, but only if they happen to be sent to a court instead of to the Province security committee.

Mr. McCLOSKEY. Let me try to quote from one of your Phoenix documents. The administrative detention applies to those against whom there is insufficient evidence to convict, isn't that right?

Ambassador COLBY. Right.

Mr. McCLOSKEY. If there is sufficient evidence to satisfy a court that the man is a member of the VCI he goes to the military court, does he not?

Ambassador COLBY. Generally that is true.

Mr. McCLOSKEY. But the great bulk of people apprehended under the Phoenix program are never tried by the court?

Ambassador COLBY. No.

Mr. McCLOSKEY. I note from a letter to the International Red Cross by Ambassador Rinestad, he says in part as follows: "With respect to South Vietnamese civilians captured by U.S. forces and transferred to the authorities in Vietnam, the U.S. Government recognizes it has a residual responsibility to work with the Government of the Republic of Viet-

nam to see that all such civilians are treated in accordance with article 3 of the Convention." If article 3 of the Geneva Convention requires a trial by court, how are we working with the Government of Vietnam to see that these civilians are receiving the proper attention under the Geneva Convention? Can you tell me?

Ambassador COLBY. I think the answer, Mr. Congressman, is that we are trying to put in the standards of due process, if you will, and we have achieved a number of them. As I stated to Congressman Reid, I am not satisfied that we have completed our effort yet.

Mr. McCLOSKEY. Then when Ambassador Rinestad says in his letter of December 7 that we are working to do something, we are still talking here in July of 1971 about something in the future. Under the law, no court ever sits on the person accused of being a Vietcong, isn't that correct?

Ambassador COLBY. I think you are right.

Mr. McCLOSKEY. Have we so advised the Red Cross?

Ambassador COLBY. I don't know.

Mr. McCLOSKEY. Shouldn't we?

Ambassador Colby subsequently supplied the subcommittee with statistical data for the January-June 1971 period showing the results of review of An Tri cases in each of the three categories (A, B, and C): ¹⁰³

AN TRI CASES

[During the period January-June 1971, the following An Tri cases were reviewed for extension of original term with disposition as indicated]

Category	Total reviewed	Extended	Released
A.	215	215	0
B.	1,441	738	703
C.	3,963	1,060	2,903
Total	5,619	2,013	3,606

Note: The length of the original terms is not available but current directives call for the following normal terms by category: A, 2 years; B, 1 to 2 years; C, 1 year maximum.

A legal memorandum entitled "The Geneva Conventions and the Phoenix Program," prepared by the State Department, was also submitted for the hearing record. After discussing the terms of the four Geneva Conventions of 1949 and the Vietnamese An Tri procedures, the memorandum concludes: ¹⁰⁴

In conclusion, although there have been some individual failures in execution, the general obligation of humanitarian treatment underlying the Geneva Conventions has been accepted by the Governments of Vietnam and the United States in the context of the Vietnam conflict, despite the anomalies created by attempting to apply rules essentially designed for a World War II situation to one involving a political, subversive infrastructure.

¹⁰³ Ibid., p. 196.

¹⁰⁴ Ibid., p. 218. The full text of the memorandum appears at pp. 217-218 of the hearings and also is reprinted in the appendix of this report.

Phoenix Funding Levels

Actual amounts expended on the Phoenix program are buried within the cost of the overall U.S. pacification-support effort, except for a small portion of its activities revealed by Ambassador Colby and which total slightly less than \$4 million over the past 3 years:¹⁰⁶

U.S. SUPPORT OF PHOENIX		
	U.S. counterpart (VN millions)	U.S. dollar equivalent (millions at 118/1)
1968.....	179	1.53
1969.....	172	1.46
1970.....	45	.38
1971 (May).....	43	.36
Total.....	439	3.73

The tiny portion of the total Phoenix funding pattern described in this table is clearly shown by the fact that it represents only amounts provided in counterpart (piasters) for "construction and office equipment expenditures for the district centers." It does not include such large items as the cost of the 637 U.S. military personnel, nor the U.S. civilian advisory personnel assigned to the Phoenix program; it does not include the cost of weapons, ammunition, supplies, and other types of military equipment utilized by both United States and Vietnamese personnel; it does not include the cost of "incentive payments" to informants nor "rewards" ranging up to \$11,000 for the capture of key VCI leaders.¹⁰⁶

A subcommittee attempt to obtain such overall figures, as related to the operational efficiency of the Phoenix program on a per capita "neutralization" basis, brought forth this written response from Ambassador Colby:¹⁰⁷

Question 2. Does this also apply to the Phoenix (Phung Hoang) program directed toward neutralizing—that is, killing, capturing or rallying—members of the Vietcong infrastructure? What is the cost per individual?

Answer. In my statement on the Phoenix program, I gave the direct U.S. expenditures on this program, except for advisory personnel costs as indicated. The total expenditures in support of Phoenix, however, cannot be segregated since it is a program designed to coordinate and consolidate the efforts of a number of different agencies against one of the several aspects of the Communist attack against South Vietnam. Phoenix expenditures, direct and indirect, are included in the figures given in reply to Question 1, but no meaningful answer is available to the question as to the cost per individual VCI.

Thus, while the costs of the Phoenix program are included within the estimated \$5 billion total cost of the overall U.S. support provided

¹⁰⁶ Ibid., p. 184.
¹⁰⁷ Ibid., pp. 284-289.
¹⁰⁸ Ibid., p. 224.

in the pacification effort since 1968, there is no separate breakdown of the Phoenix expenditures over this same period.

Conclusions

The CORDS program of pacification support and its component elements, such as Phoenix, represent a major part of our overall effort in South Vietnam—both in costs involved and in the emphasis placed upon it by MACV. As the U.S. military role has declined, and the priorities have shifted more and more toward “Vietnamization,” the importance placed on the U.S. pacification role has increased.

Ambassador Colby described CORDS as a “unique experiment in our foreign operations.”¹⁰⁸ CORDS personnel have provided a wide range of advisory, coordinating, consolidating, and supporting functions to the Government of South Vietnam at all governmental levels. Overall benefits to the Government of South Vietnam and the South Vietnamese people that may have resulted from the \$5 billion CORDS program since 1968, when its present form and direction took place, do not lend themselves to precise evaluation along traditional “economy and efficiency” measurements used by this committee or by the GAO. Despite eloquent descriptions of the accomplishments of the pacification program by Ambassador Colby and by AID witnesses, the committee is not persuaded that it has justified the expenditure of the \$5 billion in funds allocated to it.

The committee is concerned over many aspects of the CORDS operation and its related programs. Inadequate fiscal controls, poor management of funds funneled to CORDS from the AID and Defense Department budgets, spotty recordkeeping, and some highly questionable program objectives were fully described in the preliminary GAO study of the program as presented during the hearings and its later report.

Major concern is also directed toward the U.S. support of the GVN Phoenix program. Specifically, the committee questions the lack of adequate data provided on the actual amounts of funds from the pacification effort being provided to Phoenix. The Committee is concerned about Phoenix’s highly questionable intelligence gathering procedures, its unprecise methods of “targeting” suspected Vietcong for “neutralization,” its lack of adequate legal and detention procedures, and serious moral considerations of U.S. support for a program that has allegedly included torture, murder, and inhumane treatment of South Vietnamese civilians.

Recommendation

The committee calls upon the Secretary of Defense to fully investigate these allegations of crimes committed by U.S. military personnel in South Vietnam against civilians suspected of Vietcong activities. These detailed allegations by Mr. K. Barton Osborn, a subcommittee witness who had served in military intelligence and CIA activities in Vietnam, are contained in the hearing record.¹⁰⁹

¹⁰⁸ Ibid., p. 181.

¹⁰⁹ See hearings, pp. 318–320 for a detailed account of alleged torture and murder by witness Osborn; also p. 326 and pp. 338–340 for cross-examination by subcommittee members on these incidents.

*There
p. 60*

Last year they were unofficially called to the attention of a high-ranking Defense Department official in a staff conference. To the knowledge of the committee, there has been no effort by DOD to pursue the serious charges of the crimes described under oath by Mr. Osborn in his testimony. These charges should be either substantiated or repudiated after an impartial and thorough investigation.

VIII. REFUGEE PROGRAM

One of the greatest tragedies of modern warfare is its impact on the innocent civilian population. In the Middle East, in China, in Korea, in Biafra, Pakistan, Cambodia, Laos, and Vietnam millions of helpless men, women, and children have been slaughtered, crippled, maimed, or horribly burned. Additional millions have been made widows, orphans or forced to flee their homes and villages in terror to escape the on-rushing horror of war. The very nature of modern war, with its mass destructive weaponry, its indiscriminate bombing, the guerrilla infiltration and massacre of entire villages, and the systematic assassination of intellectual and political leaders has brought new dimensions of brutality to wars such as that being waged in Vietnam.

The Office of Refugee Coordination was first established by USAID/Saigon in 1965, when the seriousness of the South Vietnamese refugee problem was first recognized. The refugee program was transferred to the Office of Civil Operations in December 1966, and to CORDS when that organization was formed in May 1967. The U.S. portion of the refugee program and related social welfare programs are now administered by CORDS' War Victims Directorate.

Within the Government of South Vietnam, refugee relief was submerged in the Ministry of Social Welfare until February 1966. The Government of South Vietnam then established a Special Commissariat for Refugees, directly responsible to the Prime Minister. After several reorganizations, in 1968 and 1969, refugee relief and war victim activities of the Government of South Vietnam are again vested in the Ministry of Social Welfare.

The terminology of these programs was set forth by the Government of South Vietnam in 1968 when it defined "refugees" as being persons who leave their place of abode to (1) escape Communist terrorism; (2) flee from artillery or bombardment; or (3) evade military action. The broader term "war victims" includes all those who have suffered from the war—refugees, widows, orphans, the physically disabled, and the economically severely handicapped.

Objectives of the Government of South Vietnam refugee relief program are to assist them to return to their original villages or to resettle in new locations. The overall objective of the war victims program of the Government of South Vietnam is to provide emergency relief and to help rehabilitate and reintegrate them into normal community and national life.

The United States provides financial assistance for the refugee and social welfare programs through dollar contributions for personnel, commodities, and related expenses.¹¹⁰ Counterpart funds are also provided directly to the Government of South Vietnam's Ministry of Social Welfare for program support. Our Government has also dis-

¹¹⁰ For an overview of the War Victims Division, CORDS during several monthly periods in 1971, see hearings, pp. 26-31.

tributed title II, Public Law 480, surplus agricultural commodities to the refugee relief program and provided a number of Refugee Advisers. Additional refugee assistance has been provided by eight U.S. voluntary agencies with financial support through contracts with AID.

Program goals are developed by CORDS War Victims Directorate and the Government of South Vietnam Ministry of Social Welfare, with approval authority vested in the Pacification and Development Council of the South Vietnamese Government.

Accurate statistics on the impact of the Vietnam war on the South Vietnamese civilian population are virtually impossible to assemble. Testimony was presented by several witnesses on the number of refugees generated by the war from 1966 through 1971. These estimates ranged from 3.5 million to 6 million persons out of an estimated total population of nearly 18 million South Vietnamese. This means that somewhere between one-fifth to one-third of the total population has been uprooted for various reasons over this period. AID witness Nooter estimated the number at 6 million in his May, 1972, testimony.¹¹¹ Nor is the problem of refugees diminishing. Moreover, there is evidence that the Government of South Vietnam is underestimating the actual number of refugees entitled to benefits.

The GAO, in a report for the Senate Refugee Subcommittee, found that "the Government of Vietnam was reluctant to report some newly generated refugees and that other refugees—even though they were still not self-sufficient—had been removed from the rolls after payment of their allowances."¹¹² This report by the GAO was also critical of management deficiencies in the Ministry of Social Welfare in the often-delayed release of funds earmarked for the refugee relief program and indicated that in 1969 only half of the refugees resettled to their villages had received all the benefits to which they were entitled. No data is available on the numbers of North Vietnamese refugees forced to flee as a result of U.S. bombing raids or other hostile action.

Estimates on the number of civilian South Vietnamese war casualties between 1965 and early 1971 exceeded 1 million persons, including more than 325,000 killed. An estimated 30 percent of the deaths were children under age 13. Over 250,000 civilian war casualties have been admitted to hospitals in South Vietnam, an estimated 156,000 physically disabled (amputees, paraplegics, blind and deaf), 300,000 war orphans, and 131,000 war widows.¹¹³

In testimony to the subcommittee, Assistant AID Administrator Nooter described the Government of South Vietnam assistance program:

¹¹¹ Testimony by Robert H. Nooter, Deputy Coordinator, Bureau for Supporting Assistance, AID, on May 8, 1972, before the Senate Judiciary Subcommittee on Refugees estimated that almost 700,000 South Vietnamese civilians were forced to flee their homes as a result of the spring, 1972 North Vietnamese offensive. See GAO Report (B-135001), November 1970 and the March 27, 1972, GAO followup report for a more detailed critique of shortcomings in the administration of the refugee program. See hearings, pp. 230-231 and p. 242 for refugee statistics. Subsequently, in a press release dated August 15, 1972, AID announced the allocation of an additional \$15 million to provide assistance and care to the more than 900,000 South Vietnamese forced to flee their homes as a result of the North Vietnamese offensive which began in March 1972.

¹¹² GAO, Mar. 27, 1972, followup report, p. 21.

¹¹³ Impact of the Vietnam War, footnote 5, pp. 14-30. See also AID witness Nooter's May 8, 1972 testimony, footnote 111, p. 6. He uses the figure 80,000 for the number of civilian war widows.

The principal benefits paid or distributed to the refugees by the Government of Vietnam consist of shelter and temporary assistance for new refugees of 20 piasters or 1 pound of rice per person per day for the first 60 days, and resettlement or return-to-village allowances of 7,500 piasters and 10 sheets of metal roofing per family (house construction allowance) and 1 pound of rice per person per day for 6 months.

In addition, permanent campsites and hamlets to which refugees have returned receive continuing development assistance for wells, schools, markets, health services, vocational training and seeds. Both new refugees and those who have received all their government benefits receive periodic distributions of Public Law 480, title II, surplus food commodities.

Total annual amounts of financial assistance for refugee and social welfare programs has averaged nearly \$100 million over the past 4 years. U.S. AID provided \$3.8 million in fiscal 1971 for the program and \$1.7 million in fiscal 1972. The United States also provided \$31.3 million in counterpart funds and \$15 million worth of Public Law 480, title II, surplus agricultural commodities. The Government of South Vietnam budgeted the equivalent of \$8.7 million to its Ministry of Social Welfare for such programs, while voluntary agencies and contributions from other nations of the free world totaled another \$25 million.¹¹⁴

One of the misleading factors in reviewing the economy and efficiency of the U.S. role in the Government of South Vietnam refugee relief program is the confusion that results from the "active caseload" system used by the Government of South Vietnam's Ministry of Social Welfare. Assistant Administrator Nooter testified that "the present active caseload of refugees as recorded by the Ministry of Social Welfare is approximately 550,000 persons; 250,000 of these are receiving refugee benefits, and 300,000 are receiving benefits under the return-to-village program." He went on to point out, however, that there are "others who have exhausted their refugee benefits but who can still be considered refugees since they cannot yet return to their villages."¹¹⁵

Some of these refugees have migrated to Saigon, Da Nang, and other sizable cities. Some have found employment, but others continue to live in refugee camps with only limited ability to sustain themselves and their families. Most of those in this latter category are located in I Corps. Precise statistics on the economic status of refugees who have exhausted their benefits is unavailable.

The refugee problem was further compounded during 1970 by the generation of some 400,000 ethnic Vietnamese refugees living in Cambodia and uprooted by the U.S.-supported Government of South Vietnam invasion of that country. The Government of South Vietnam repatriated some 210,000 of these Vietnamese and assisted in resettling about 150,000 of them. But by the end of the year some 60,000 were still living in refugee camps.

Another important factor is the unemployment already resulting in some parts of South Vietnam from the withdrawal of substantial num-

¹¹⁴ Ibid, p. 24; see also testimony by AID witness Nooter on May 8, 1972, p. 16. See also footnote 111.

¹¹⁵ Hearings, p. 5.

bers of American troops. This is partly due to the loss of jobs in U.S. bases and partly in the dropoff of American business in shops, restaurants and other retail establishments. As our military presence continues to diminish, the problem of unemployment in many South Vietnamese cities and towns near military bases is certain to intensify.

A meeting of CORDS officials in Da Nang in May of 1971, reported in the New York Times, focused on this growing problem.¹¹⁶ The possibility of violence by "hostile hordes likely to be spearheaded by disabled veterans and/or other war victims against the South Vietnamese Government" was discussed at this CORDS meeting. To avoid such social and political chaos that could be exploited by the Vietcong the meeting recommended "a new U.S. program to handle the refugee problem through 'sharp focus and highly concentrated energy' in returning the refugees to their villages, finding employment for some and providing a 'dole' for others." Such a program would cost an estimated \$200 million a year, according to the report, and would be "salable to the Congress, meeting the objections of our sharpest critics."

One of the most criticized segments of the Government of South Vietnam refugee relief program has been the forcible resettlement of many thousands of Montagnard tribesmen from the central highlands area of South Vietnam during 1971. This mass uprooting of the ethnic minority group people was in connection with the Government of South Vietnam military incursion into Laos. Well over half of the Montagnard hamlets have been relocated at least once as part of the overall Government of South Vietnam resettlement program in the rich highlands area that has an abundance of timber, untouched grazing land, and rich soil.¹¹⁷

There are desperate hardships, the lack of food, shelter, and medical facilities at the Montagnard relocation centers as well as the injustice to the Montagnard people, which some U.S. officials condemn as a seizure of their rich lands by Saigon. Even the CORDS War Victims Directorate has opposed the Montagnard relocation policies, but these objections have apparently not been pressed by top U.S. mission officials as part of our overall deference to the Government of South Vietnam in such policy decisions. The Montagnard relocation program was, however, temporarily suspended on May 1, 1971.

An unclassified portion of the GAO report on the pacification program describes the failures of the Government of South Vietnam to support Montagnard economic, health, self-government, and education programs. The report states that "the United States provided some \$1.8 million from 1966 to 1968 to construct Montagnard student boarding facilities. However, as of February 1970, only about 30 percent of the construction had been completed due, in part, to in-

¹¹⁶ "U.S. Aides Fear Violence by Vietnamese Refugees," by Tad Szulc, New York Times, July 11, 1971; see hearings, pp. 23-24.

¹¹⁷ For a more detailed description of the Montagnard relocation program, see testimony by Hugh Manke, Director, International Voluntary Services, Vietnam, before the Senate Refugee Subcommittee, Apr. 22, 1971.

security and bureaucratic delays in the planning and approval process."¹¹⁸

The generally poor conditions at Government of South Vietnam refugee camps was described in a nonclassified portion of the classified GAO study of the pacification program mentioned earlier:

During our review for the Senate Refugee Subcommittee in May-July, 1970—we visited a temporary refugee camp, Thanh Tay in Quang Nam Province, military region 1, where approximately 6,000 refugees had resided since 1967. We found the shelters crudely constructed and the people living in crowded conditions. During the course of our inspection, we observed only one classroom, no latrines, and no medical facilities. The CORDS refugee adviser stated that these people had received their 30-day food allowance, and that no other assistance had been provided by the Government of Vietnam. We also noted that the refugees had no place to grow food. From our observation of this site, the conditions appeared unsatisfactory, and the manner in which these people had been treated by the Government has no doubt not helped to win these refugees over to the Government's side.

The GAO reported similar conditions at Ha Thanh resettlement site, housing some 19,000 persons and 17 other sites visited in military region 1.

It is crystal clear to the committee, as well as to other impartial observers, that the refugee and social welfare programs have a low priority of importance within the Government of South Vietnam and, despite the efforts of the United States in dollars, counterpart and surplus foods, refugee advisory efforts and work within the CORDS war victims directorate, the program has become disappointingly inadequate. Tragically, it affects the lives of many hundreds of thousands of innocent men, women, and children who have suffered untold hardships, terror, and the horror of modern war.

¹¹⁸ See also GAO report, footnote 65, p. 68.

IX. PUBLIC HEALTH PROGRAM

Some dimensions of the need for health and medical services by the South Vietnamese people have already been seen in our examination of the war victims and refugee relief programs.

This committee in its 1966 report on the economy and efficiency of U.S. economic and military assistance programs in South Vietnam, described in detail the urgency of civilian medical needs.¹¹⁸ The report pointed out that AID purchases of drugs and pharmaceuticals for South Vietnam totaled only \$1.5 million in fiscal 1965, plus CIP imports of another \$13.2 million. The purchases were expanded by AID to \$6.5 million the following year and some \$21 million worth of drugs and pharmaceuticals were imported under the CIP by South Vietnamese importers. A great shortage of doctors, nurses, hospital beds and medical facilities of all types was clearly evident. The committee reported that only 100 South Vietnamese doctors were available to work with an indigent population of some 10 million people. That figure is now given at 226 physicians in 1971, according to the most recent AID report to Ambassador Bunker.

The health program was a subject of continuing scrutiny by subcommittee members and staff during subsequent field investigations in South Vietnam. The GAO was requested in February 1969, by then Chairman Moss, to make a detailed assessment as to how well the weaknesses and irregularities previously reported by the subcommittee had been remedied. Onsite review by the GAO that year produced information on the civilian medical program in South Vietnam in a separate report of this committee.¹¹⁹ This followup report concluded that considerable AID effort and funds had been expended during the 4-year period to improve the civilian medical program in South Vietnam through AID's work with the Government of South Vietnam's Ministry of Health. The results, however, had been limited in many areas although increases in medical personnel and improvements in medical facilities were specifically noted.

During the past 5 years, AID has constructed eight provincial hospitals, provided 29 surgical units, and improved facilities in another 11 hospitals. Over \$35 million worth of medical supplies and equip-

¹¹⁸ See H. Rept. 89-2257, pp. 72-79.

¹¹⁹ H. Rept. 91-1584.

ment have been provided directly through AID public health funds. Over 1,000 volunteer U.S. physicians and nurses have served in Vietnam during this period, plus 61 military and free world medical teams to work in AID-financed hospital and medical facilities. AID has also assisted in that country. These and other related programs have been supported by an additional \$100 million in USAID funds over the past 5 years.¹²¹ USAID funds for fiscal 1972 were \$14.1 million. Total hospital admissions to Ministry of Health hospitals exceeded 600,000 in 1971.

Additional emphasis has been placed on a national public health program to prevent the spread of communicable diseases and to control endemic diseases. A malaria control and eradication program, a rehabilitation program for seriously handicapped persons, and a family planning program are also assisted through USAID funds.

Mr. Don Luce, a subcommittee witness who spent 12 years in South Vietnam, described the tremendous increase in venereal disease rates among South Vietnamese women. While U.S. military personnel contracting VD receive modern treatment at military hospitals, and dispensaries, South Vietnam civilians are receiving less than adequate treatment, and the disease is spreading.

The committee finds that AID programs have made considerable, encouraging progress in the public health area over the past 5 years. Yet, when measured against the vast health and medical care need of the civilian population of South Vietnam that has suffered so greatly during the war, this progress seems considerably less significant in overall terms.

While the USAID allocations for public health programs in fiscal 1972 are some \$15.6 million, or one-sixth of the total project program funds, it must be recognized that our Government cannot begin to meet anywhere near the total health and medical requirements of the many millions of indigent South Vietnamese, refugees, and the maimed, crippled and blinded victims of the war, who will need attention for many years to come.

It will be necessary for the Government of South Vietnam and the international community to allocate additional resources for public health, medical care, doctor and nurse training, and other important elements of basic health care programs if even the minimum needs of its civilian population are to be met in the foreseeable future.

¹²¹ For a number of public health activities in South Vietnam, see report to the Ambassador from the Director of the U.S. Agency for International Development, Vietnam, for 1971, pp. 24-27. See also Feb. 29, 1972, GAO report (B-133001), a followup study of "Civilian Health and War-Related Casualty Program in Vietnam."

X. PUBLIC WORKS PROGRAM

With the rapid buildup of U.S. military strength in South Vietnam, tremendous demands were placed on the already overburdened South Vietnamese public facilities system.

Much of the early difficulty was due to inadequate port facilities. As the committee's report pointed out in 1966:¹²²

Vietnamese port capacity is the chief factor bearing on the amount of assistance—both military and economic—that the United States is physically capable of providing to Vietnam. Port capacity determines the amount of logistic support the United States can provide its troops in Vietnam and is therefore a major factor in the establishment of overall troop levels. Port capacity also limits the amount of economic assistance the United States can provide to Vietnam. The mere programming of a set level of commercial import assistance, for instance, would be useless as a counter-inflationary measure if Vietnamese ports did not have the capacity to handle the goods programed.

In addition to the limited port capacity, another monumental problem was that of port security, both physical security required to guard against the sinking of ships by the Vietcong infiltrators and also the need to insure proper storage areas to prevent wholesale smuggling, theft, and illegal diversion of unloaded supplies and commodities. It is estimated that many hundreds of millions of dollars in such goods were diverted during the initial 2- or 3-year effort to tighten up security measures at the Port of Saigon and other ports of entry. Much of these supplies and material were sold on the black market; additional quantities were smuggled to the enemy.

The subcommittee continued its surveillance of these matters in subsequent field trips to South Vietnam by members and staff. Additional investigative work on the port situation was also performed by the GAO at the subcommittee's request. Followup reports on steps taken by U.S. AID and MACV on committee recommendations to improve the port situation and the security of ships and unloaded goods were issued in 1967 and again in 1970.¹²³ Many of the original deficiencies in the security area noted in the 1966 and 1967 reports had, by 1970, been significantly improved although pilferage continued to be a major problem.

Over the past 5 years, port facilities in Saigon have been dramatically enlarged with U.S. AID and U.S. military financial and engineering assistance. In 1965, Saigon's port could handle only 1.5 million tons of cargo a year and could berth only 10 ships. These inadequate facilities could not begin to handle the tremendous amounts of mili-

¹²² H. Rept. 89-2257, pp. G4-71.

¹²³ H. Rept. 90-611; H. Rept. 91-1595; H. Rept. 91-1582.

tary goods, supplies, and increased imports resulting from the U.S. military buildup in South Vietnam. Thus, in 1966 on any given day more than 100 ships were waiting to load, some waiting for several months at demurrage costs to the U.S. taxpayer estimated at one time to exceed \$1 million per month.

Today, the Port of Saigon is one of the finest ports in the Far East and can handle nearly 5 million tons a year. According to AID witness Nooter, the U.S. "provided more than 500 pieces of material-handling equipment, added berths, leased modern barges and tugs, constructed warehouses and helped the Government of South Vietnam establish a port authority trained by AID to undertake modern cargo planning techniques, handling practices and improved security."¹²⁴ Other improvements were made in port facilities at Da Nang, Cam Ranh Bay, and another new facility called Newport was constructed for unloading cargoes.

Similar problems of inadequate water and power facilities were intensified by the rapid influx of U.S. military and civilian personnel. They were particularly acute in Saigon itself, where utilities installed by the French many years ago were meant to serve a population of only 500,000 persons.

The expansion of both the Government of South Vietnam and U.S. bureaucracies in Saigon was accompanied by the migration of perhaps a million refugees to the area, further intensifying the burdens on existing power, water and sewage systems. In just 6 years, the estimated population of Saigon has grown by five or six times.

U.S. AID has provided funds for procurement of materials for the extension of water and sewer lines and the expansion of electric generating facilities and has also provided technical assistance to the Vietnam Power Co. and the Saigon Metropolitan Water Co. to help meet the rapidly growing water and power requirements.

U.S. AID, often with Defense Department supplemental funding and other assistance, has provided a wide variety of project aid to improve almost every aspect of public works facilities in South Vietnam so that the public works program may be considered as among the more successful undertaken. These have included port facilities, utilities, the national highway system, communications systems, rural water systems, bridges, the dredging of inland waterways, draining systems, the construction of hospitals, schools, refugee housing, warehouses, and the rehabilitation of the rail system. The projects have involved direct U.S. participation, U.S. contractor-participation, and technical advisory and coordinating roles with the Ministry of Public Works of the Government of South Vietnam.

As in other program areas, the Government of South Vietnam priority established in public work projects is governed by the overall budget demands of a voracious war machine. There is a vast need for additional projects at the provincial levels for basic facilities and services in thousands of villages and hamlets. But it is beyond the U.S. capacity to extend the type of massive financial support required to meet these needs.

¹²⁴ Hearings, p. 2. See Report to the Ambassador, 1971, footnote 121, pp. 28-31 for a summary of various public works projects in South Vietnam.

Mr. Luce testified that U.S. AID-supported improvements in the Saigon power and water systems as carried out by the Government of South Vietnam and Saigon utility companies have discriminated unfairly against the poorer residents who live in slum areas of the city. He said.¹²⁵

You can make an income map for the city of Saigon by tracing the water pipes that we provided to put a water system into the city of Saigon. You can make another income map by tracing in blue ink the electric lines. The public works facilities go to the rich who sell the water and electricity at exorbitant prices to the poor. In the words of a slum dweller: "The water pipes and electric lines all go to the cement houses. I live in a thatch house and must buy my water and electricity from rich people!"

¹²⁵ Hearings, p. 95.

XI. RECOMMENDATIONS FOR PROGRAM OVERHAUL

In considering recommendations that flow from the detailed study, hearings, investigations and continuing surveillance of the complex types of assistance programs included in this report, the committee is particularly mindful of its jurisdictional limitations. In reviewing the operational aspects of U.S. assistance programs, the committee has concentrated on the degree of efficiency such programs have achieved as measured by the economic effectiveness in their expenditure of U.S. taxpayer's dollars. Thus, the extent to which program operations are actually achieving the stated program objectives is the key measure of its economy and efficiency. Obviously, a program that is not fulfilling its objectives cannot, per se, be either economic or efficient and is in need of administrative review, operational overhaul, reorganization, or some other drastic policy change.

It is not the purpose of this committee to intrude on jurisdictional prerogatives of the duly established authorizing and appropriating committees of the House. In many cases, however, such conclusions concerning specific policy changes, changes in administrative direction, changes in priorities between programs, the launching of new programs, or the termination of existing ones, are clearly evident after this committee's exhaustive investigation of U.S. assistance programs in South Vietnam over the past 6 years. The committee has documented specific cases as clearly and accurately as possible and the findings and conclusions speak for themselves.

The committee therefore recommends that the Agency for International Development carefully review the substantive operational deficiencies presented in this report as they apply to many of the U.S. assistance programs in South Vietnam; urgently consider various alternative measures, which may require legislative, appropriation, or administrative action to correct such deficiencies; and present a more suitable program for review by the appropriate policymaking committees of Congress.

The committee is, moreover, mindful of the delicate role which our Government must play in its dealings with the established Government of South Vietnam. The very nature of the programs dealt with in this report makes the task of achieving truly economic and efficient program operation that much more difficult, since the U.S. role is largely supporting and supplementing that of various Government of South Vietnam counterpart agencies.

However, it should be pointed out that the extent of the U.S. commitment to the Government of South Vietnam, both in lives and dollars, as well as the heavy U.S. subsidization of the entire Government of South Vietnam economic and governmental processes, places a particularly important responsibility on U.S. officials. The committee is convinced, on the basis of its studies, that such has not been the case to the degree deemed appropriate and necessary in the best interests of the U.S. taxpayers. The committee, therefore, recommends that U.S. officials press for vastly improved operational performance on the part of the Government of South Vietnam in fulfilling the objectives of the programs which we support so heavily.

APPENDIX

THE GENEVA CONVENTIONS AND THE PHOENIX PROGRAM

Questions have been raised and considered from time to time concerning the conformity of the Phoenix program with the Geneva Convention requirements. The following memorandum represents the opinion of the Department of State on this question.

MEMORANDUM

The four Geneva Conventions of 1949 for the protection of war victims updated earlier international conventions to reflect the experiences of World War II. They filled a number of lacunae which had become evident in the earlier conventions. The fourth convention on protection of civilian persons in time of war was a completely new treaty designed to minimize, to the greatest possible extent, the suffering of civilians caught in the turbulence of war. Bearing in mind the Nazi practices during World War II, the drafters of the fourth convention sought to insure humane treatment of civilians in belligerent and occupied territories, and to lay down rules to prevent their being deported, taken as hostage, or interned in concentration camps. Experience since 1949 has revealed additional lacunae in the conventions, and international discussions are now taking place with a view to the further refinement of humanitarian treatment of both combatants and noncombatants caught up in armed conflict.

Article 4 of the third convention of 1949 on protection of prisoners of war sets certain standards for recognition as prisoners of war. In Vietnam, the United States and the Republic of Vietnam have as a conscious policy accorded prisoner-of-war status to many thousands of paramilitary and other prisoners captured by United States or South Vietnamese forces who would not be entitled to it under the convention.

Article 4 of the fourth convention on protection of civilian persons in time of war provides that persons protected by that convention are those who find themselves in the hands of a party to the conflict or occupying power of which they are not nationals. This means that South Vietnamese civilians detained by South Vietnamese authorities are not protected persons within the meaning of article 4 of the fourth Geneva Convention. Article 4 also provides that nationals of a belligerent state are not protected persons while the state of which they are nationals has normal diplomatic representation in the state in whose hands they are. This provision would seem to cast considerable doubt on the entitlement of South Vietnamese civilians captured by U.S. forces to protection as protected persons even while they are in the

custody of the U.S. forces. Nevertheless, the United States and South Vietnamese Governments have agreed that humanitarian treatment must be accorded to all persons, irrespective of whether an individual is considered a protected person within the meaning of the convention, and we have acknowledged a residual responsibility with respect to those captured by U.S. forces.

Article 3, which is common to all four of the Geneva Conventions, prescribes the minimum standards of humanitarian treatment to be accorded to all persons, even though they may not be "protected persons" within the strict meaning of the conventions. Paragraph 1(d) of this article prohibits "the passing of sentences and the carrying out of executions without previous judgment pronounced by a regularly constituted court, affording all the judicial guarantees which are recognized as indispensable by civilized peoples." This provision applies only to sentencing for crimes and does not prohibit a state from internment of civilians or subjecting them to emergency detention when such measures are necessary for the security or safety of the state.¹

The Phung Hoang, or Phoenix program, is a Vietnamese program aimed at the Vietcong infrastructure (VCI), the political subversive apparatus which directs and supports the military threat to South Vietnam's security. The U.S. support of this program has been principally advisory in nature directed at improving the intelligence methods, the apprehension techniques, the legal procedures and the detention arrangements involved in the struggle of the Vietnamese against the VCI. Persons suspected of involvement in the VCI may be arrested by the Vietnamese authorities and placed in administrative detention or brought to trial.

The Vietnamese "an tri," or an administrative detention procedure, is similar in some respects to the emergency detention procedures utilized by a number of other nations in time of emergency to intern persons on grounds of national security. Such procedures involve no criminal sentence and are not violative of article 3.² On the other hand, aspects of the "An Tri" procedure raise some problems which give us concern in this regard.

We have been working with the Government of the Republic of Vietnam with a view to improving the procedure to insure the humanitarian treatment of detainees. We are striving to make the "An Tri" procedure accord with fundamental concepts of due process, and to improve the conditions of internment.

Not a part of the Phoenix program, but sometimes discussed as in possible conflict with the Geneva Conventions, is the subject of forced relocations of communities. Vietnamese Government policy is currently to bring security to the people rather than the people to security whenever possible, but such relocations have occurred in the past and, if deemed essential, might occur in the future. Article 49 of the fourth convention, intended to deal with the transfer of protected

¹ The ICRC commentary on the fourth Geneva Convention states in this connection: "No sort of immunity is given to anyone under this provision. There is nothing in it to prevent a person presumed to be guilty from being arrested and so placed in a position where he can do no further harm; and it leaves intact the right of the State to prosecute, sentence and punish according to the law." (P. 31.)

² Articles 42, 43, and 78 of the fourth Geneva Convention clearly contemplate wartime internment and assigned residence for civilians as accepted procedure under certain safeguards. Since these articles apply only to protected persons, their specific requirements would not apply to South Vietnamese civilians.

persons from occupied territory, clearly contemplates the possibility of transfer inside the national territory for security reasons. Article 49, like articles 42 and 43, concerns only protected persons. Of course, the general obligations of humanitarian treatment would apply in the case of any relocation of communities in South Vietnam, even though the individuals involved are not protected persons under the fourth convention.

In conclusion, although there have been some individual failures in execution, the general obligation of humanitarian treatment underlying the Geneva Conventions has been accepted by the Governments of Vietnam and the United States in the context of the Vietnam conflict, despite the anomalies created by attempting to apply rules essentially designed for a World War II situation to one involving a political, subversive infrastructure.

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